

VOTING AND DEBT CONVERSION AGREEMENT

THIS AGREEMENT is made as of the 24th day of June, 2015,

BETWEEN:

EACH OF THE PERSONS LISTED ON APPENDIX A HERETO, (collectively, the “**Securityholders**” and each individually a “**Securityholder**”)

- and -

GALE FORCE PETROLEUM INC., a corporation incorporated under the federal laws of Canada (“**GFP**”)

WHEREAS each Securityholder is (i) the registered and/or direct or indirect beneficial owner of that number of Montana Shares (as defined herein), and (ii) if applicable, the creditor of Montana Exploration Corp. (“**Montana**”) for the amount of Montana Indebtedness (as defined herein), in each case set forth opposite such Securityholder’s name on Appendix A hereto;

AND WHEREAS each Securityholder understands that Montana and GFP have executed and delivered the Arrangement Agreement (as defined herein) providing for the Arrangement (as defined herein);

AND WHEREAS this Agreement sets out the terms and conditions of the agreement of each Securityholder (i) to vote its Securityholder Securities (as defined herein) or cause its Securityholder Securities to be voted in favour of the Montana Resolutions (as defined herein), (ii) if applicable, to convert its Montana Indebtedness into Montana Shares (as defined herein), and (iii) to abide by the other provisions set forth herein;

AND WHEREAS in order for each Securityholder to realize the benefits that will accrue to such Securityholder under the Arrangement, each Securityholder desires to enter into this Agreement to provide its support for the completion of the Arrangement and, if applicable, the conversion of the Montana Indebtedness on the terms and conditions set forth herein;

AND WHEREAS the foregoing recitals, and the representations, warranties and covenants provided herein, are made or provided by each Securityholder only with respect to itself and its Securityholder Securities and, if applicable, Montana Indebtedness, and, for greater certainty, are not made or provided in relation to any other Securityholder or its Securityholder Securities or Montana Indebtedness;

NOW THEREFORE this Agreement witnesses that, in consideration of the premises and the covenants and agreements herein contained, the parties hereto agree as follows:

ARTICLE 1 **INTERPRETATION**

1.1 Definitions

In this Agreement:

“Arrangement” means the arrangement pursuant to Section 192 of the CBCA, on the terms and subject to the conditions set out in the Plan of Arrangement, as supplemented, modified, varied or amended in accordance with Article 7 of the Arrangement Agreement or the Plan of Arrangement or at the direction of the Court pursuant to the Final Order with the consent of Montana and GFP, each acting reasonably;

“Arrangement Agreement” means the arrangement agreement, including the Schedules thereto, dated as of June 24, 2015, between Montana and GFP, a true copy of which is attached hereto as Appendix B, as it may be amended, supplemented or modified from time to time in accordance with its terms;

“Articles of Arrangement” means the articles of arrangement in respect of the Arrangement required to be filed under Section 192(6) of the CBCA to be sent to the Director after the Final Order has been granted by the Court to give effect to the Arrangement, which shall be in form and content satisfactory to Montana and GFP, each acting reasonably;

“CBCA” means the *Canada Business Corporations Act*, R.S.C., 1985, c. C-44;

“Certificate of Arrangement” means the certificate of arrangement to be issued by the Director pursuant to Section 192(7) of the CBCA in respect of the Articles of Arrangement;

“Court” means the Ontario Superior Court of Justice (Commercial List);

“Director” means the director appointed under section 260 of the CBCA;

“Effective Date” means the date shown upon the Certificate of Arrangement which gives effect to the Arrangement;

“Effective Time” means 12:01 a.m. (Toronto time) on the Effective Date;

“Final Order” means the final order of the Court (in respect of GFP) approving the Arrangement pursuant to Section 192(4) of the CBCA, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

“Governmental Authority” means (i) any multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign, (ii) any subdivision, agent, commission, board or authority of any of the foregoing, (iii) any quasi-governmental or private body, including any tribunal,

commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing or (iv) any stock exchange, including the TSX Venture Exchange;

“Montana Board” means the board of directors of Montana as the same is constituted from time to time;

“Montana Debt Conversion” means the conversion of an aggregate of \$8,827,135.00 (plus interest accrued since March 31, 2015) into 88,271,350 Montana Shares at a price of \$0.10 per share prior to the Effective Time;

“Montana Indebtedness” means the indebtedness owing by Montana to a Securityholder;

“Montana Meeting” means the annual general and special meeting of Montana Shareholders, including any adjournment or postponement thereof, to be called for the purposes of obtaining the approval of the Montana Resolutions, appointing the auditors of Montana and presenting to the Montana Shareholders Montana’s audited financial statements for the year ended December 31, 2014;

“Montana Option” means an option to purchase Montana Shares;

“Montana Option Plan” means the stock option plan most recently adopted by the Montana Shareholders on January 15, 2015;

“Montana Resolutions” means, collectively: (i) the resolution approving the renewal of the Montana Option Plan pursuant to which an aggregate of such number of Montana Shares as is equal to 10% of number of issued and outstanding Montana Shares may be issued from time to time; and (ii) the resolution fixing the number of directors on the Montana Board at six; and (iii) the resolution electing James Collins, Donald Foulkes, Michael Hibbard, Julian McIntyre, Charles Selby and Allan Bezanson to the Montana Board;

“Montana Shareholder” means a holder of Montana Shares;

“Montana Shares” means the common shares in the share capital of Montana;

“person” shall be broadly interpreted and includes an individual, partnership, association, body corporate, trustee, executor, administrator, legal representative, government (including any Governmental Authority) or any other entity, whether or not having legal status;

“Plan of Arrangement” means the plan of arrangement under the CBCA, substantially in the form of Schedule A to the Arrangement Agreement, as such plan of arrangement may be supplemented, modified, varied or amended from time to time in accordance with the Arrangement Agreement or the Plan of Arrangement; and

“**Securityholder Securities**” means all Montana Shares owned by a Securityholder, including all securities of Montana exercisable or exchangeable for, or convertible into, securities of Montana, including Montana Shares and Montana Options, and any securities of Montana issued or acquired in lieu of or in replacement for or in consideration of all or any of such Montana Shares or Montana Options.

1.2 Definitions in Arrangement Agreement

All terms used in this Agreement that are not defined in Section 1.1 or elsewhere in this Agreement and that are defined in the Arrangement Agreement shall have the respective meanings ascribed to them in the Arrangement Agreement.

1.3 Appendices

The following Appendices attached hereto constitute an integral part of this Agreement:

Appendix A	-	Securityholder Securities and Montana Indebtedness
Appendix B	-	Arrangement Agreement

ARTICLE 2 **COVENANTS OF GFP**

2.1 Obligations under Arrangement Agreement

GFP hereby covenants and agrees in favour of each Securityholder that GFP will comply with its obligations set forth in the Arrangement Agreement.

ARTICLE 3 **COVENANTS OF THE SECURITYHOLDERS**

3.1 General

Each Securityholder hereby severally, and not jointly or jointly and severally, covenants and agrees in favour of GFP that, from the date hereof until the earlier of (i) the Effective Time and (ii) the termination of this Agreement in accordance with Article 5, except as permitted by this Agreement, such Securityholder will:

- (a) except as a result of holding same in a margin account opened with an investment dealer in respect of the Securityholder Securities, not, directly or indirectly, option, sell, assign, transfer, pledge, encumber, grant a security interest in or power of attorney over, hypothecate or otherwise convey or dispose of any Securityholder Securities or, if applicable, Montana Indebtedness, or any right or interest therein (legal or equitable), to any person or group or agree to do any of the foregoing;

- (b) not, directly or indirectly, grant or agree to grant any proxy or other right to vote any Securityholder Securities, or enter into any voting trust, vote pooling or other agreement with respect to the right to vote, call meetings of holders of Montana Shares or give consents or approval of any kind as to any Securityholder Securities;
- (c) not, directly or indirectly, take any other action of any kind which might reasonably be regarded as likely to prevent, hinder, impede or delay the successful completion of the Arrangement or the other transactions contemplated by the Arrangement Agreement and this Agreement, including the matters contemplated by the Montana Resolutions;
- (d) not vote or cause to be voted any Securityholder Securities in respect of any proposed action by Montana or any of its affiliates, by the Montana Shareholders or by any other person in a manner which might reasonably be regarded as likely to prevent, hinder, impede or delay the successful completion of the Arrangement or the other transactions contemplated by the Arrangement Agreement and this Agreement, including the matters contemplated by the Montana Resolutions;
- (e) use all commercially reasonable efforts in its capacity as a holder of Securityholder Securities to assist GFP and Montana to successfully complete the Arrangement and the other transactions contemplated by the Arrangement Agreement and this Agreement, including the matters contemplated by the Montana Resolutions;
- (f) if applicable, in its capacity as a creditor of Montana Indebtedness, use all commercially reasonable efforts and execute and deliver all documents necessary or advisable to successfully effect the Montana Debt Conversion; and
- (g) in the event that any transaction is presented for approval of or acceptance by Montana Shareholders, the consummation of which could reasonably be expected to impede, interfere with, prevent or materially delay the transactions contemplated by the Arrangement Agreement and this Agreement, including the matters contemplated by the Montana Resolutions, or which could reasonably be expected to materially reduce the benefits to GFP and its securityholders pursuant to such transactions, not, directly or indirectly, vote in favour of, accept, assist or otherwise further the successful completion of such transaction or purport to tender or deposit into or under any such transaction any of its Securityholder Securities.

3.2 No Limitation on Fiduciary Duty

Nothing contained in this Agreement will: (i) restrict, limit or prohibit a Securityholder from exercising (in his or her capacity as a director or officer of Montana) his or her fiduciary duties to Montana under applicable law; or (ii) require the Securityholder, in his or her capacity as an officer of Montana, to take any action in contravention of, or omit to take any action pursuant to, or otherwise take or refrain from taking any actions which

are inconsistent with, instructions or directions of the Montana Board undertaken in the exercise of the fiduciary duties of its members; *provided* that, such actions are in strict compliance with the provisions of the Arrangement Agreement relating to the fiduciary duties of directors and officers (including, for greater certainty, Section [3.3] of the Arrangement Agreement) and provided further that such director or officer has first obtained the legal advice of legal counsel that such actions are required by applicable law. For greater certainty, however, each Securityholder understands and agrees that the Securityholder shall, in his or her capacity as a Montana Shareholder, remain obligated to vote or cause to be voted all his or her Securityholder Securities in the manner provided for by this Agreement regardless of the position that the Montana Board takes, or its recommendation, with respect to the Montana Resolutions.

3.3 Voting of the Securityholder Securities in Favour of the Montana Resolutions

Each Securityholder hereby agrees with GFP that it will, on or before the fifth Business Day prior to the Montana Meeting, duly complete forms of proxy in respect of all of its Securityholder Securities, and any other documents required in accordance with the Arrangement, and cause same to be validly delivered in support of (and indicating that all Securityholder Securities are voted in favour of approving) the Montana Resolutions, and will not withdraw the forms of proxy except as expressly otherwise provided in this Agreement. Each Securityholder further agrees that it will, on or before the fifth Business Day prior to the Montana Meeting, deliver or cause to be delivered to GFP in accordance with Section 6.11 of this Agreement, a copy of the duly completed and signed forms of proxy described in the preceding sentence.

3.4 Conversion of the Montana Indebtedness pursuant to the Montana Debt Conversion

Each Securityholder who is also a creditor of Montana Indebtedness hereby agrees with GFP that it will, on or before the fifth Business Day prior to the Montana Meeting, duly complete all documentation necessary to give effect to the Montana Debt Conversion prior to the Effective Time, in full and final settlement of the Montana Indebtedness.

3.5 Reorganization of a Securityholder

Each Securityholder shall have the right directly or indirectly to take such actions as are necessary or desirable to reorganize its capital, assets and structure as the Securityholder may reasonably determine, including transferring some or all of its Securityholder Securities or, if applicable, Montana Indebtedness to one or more of its affiliates; *provided, however*, that no such reorganization will be undertaken unless each person who receives any Securityholder Securities or Montana Indebtedness currently owned by or owing to the Securityholder enters into a counterpart of this Agreement in relation to such Securityholder Securities or Montana Indebtedness and agrees to be bound hereby in place of the Securityholder in relation to such Securityholder Securities or Montana Indebtedness to the same extent as the Securityholder is bound hereby.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of the Securityholders

Each Securityholder hereby severally, and not jointly or jointly and severally, represents and warrants to and covenants with GFP as follows, and acknowledges that GFP is relying upon such representations, warranties and covenants in entering into this Agreement:

- (a) Incorporation; Authorization. If the Securityholder is a corporation or other legal entity, such Securityholder is a subsisting corporation or other entity under the laws of its incorporating or organizational jurisdiction. The Securityholder has all necessary power, authority, capacity and right to enter into this Agreement and to carry out each of its obligations under this Agreement. This Agreement has been duly executed and delivered by the Securityholder and constitutes a legal, valid and binding agreement enforceable by GFP against the Securityholder in accordance with its terms, subject, however, to limitations with respect to enforcement imposed by law in connection with bankruptcy or similar proceedings, the equitable power of the courts to stay proceedings before them and the execution of judgments and to the extent that equitable remedies such as specific performance and injunction are in the discretion of the court from which they are sought.
- (b) Ownership of Securityholder Securities and Montana Indebtedness. The Securityholder is, and, subject to Section 3.5, will be continuously up until the Effective Time, the direct or indirect beneficial owner of its Securityholder Securities and, if applicable, Montana Indebtedness, with good and marketable title thereto, free and clear of any and all mortgages, liens, charges, restrictions, security interests, adverse claims, pledges, encumbrances and demands or rights of others of any nature or kind whatsoever, except, as regards the Securityholder Securities, as a result of holding same in a margin account opened with an investment dealer. The Securityholder is not a party to, bound or affected by or subject to, any charter or by-law, contract, provision, statute, regulation, judgment, order, decree or law which would in any material respect be violated, contravened, breached by, or under which any material default would occur as a result of, the execution and delivery of this Agreement or the consummation of any of the transactions provided for in this Agreement.
- (c) No Agreements. No person has any agreement or option, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, for the purchase, acquisition or transfer of any of its Securityholder Securities or, if applicable, Montana Indebtedness, or any interest therein or right thereto, except pursuant to this Agreement.
- (d) Voting. None of its Securityholder Securities is subject to any proxy, power of attorney, voting trust, vote pooling or other agreement with respect to the right to

vote, call meetings of securityholders or give consents or approvals of any kind, except as contemplated by this Agreement.

- (e) Consents. No consent, waiver, approval, authorization, exemption, registration, licence or declaration of or by, or filing with, or notification to any Governmental Authority which has not been made or obtained is required to be made or obtained by the Securityholder in connection with (i) the execution and delivery by the Securityholder and enforcement against the Securityholder of this Agreement, or (ii) the consummation of any transactions by the Securityholder provided for herein, except for, in either case, the filing of insider trading reports under applicable securities legislation.
- (f) Legal Proceedings. There are no legal proceedings in progress or pending before any Governmental Authority or threatened against the Securityholder or any of its affiliates that would adversely affect in any manner the ability of the Securityholder to enter into this Agreement and to perform its obligations hereunder or the title of the Securityholder to any of its Securityholder Securities or, if applicable, Montana Indebtedness, and there is no judgment, decree or order against the Securityholder that would adversely affect in any manner the ability of the Securityholder to enter into this Agreement and to perform its obligations hereunder or the title of the Securityholder to any of its Securityholder Securities or, if applicable, Montana Indebtedness.
- (g) No Other Securities or Indebtedness. The only securities of Montana beneficially owned or controlled, directly or indirectly, by the Securityholder are the Securityholder Securities set forth opposite such Securityholder's name on Appendix A and the Securityholder has no other agreement or option, or right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, for the purchase or acquisition by the Securityholder or transfer to the Securityholder of additional securities of Montana. The only indebtedness of Montana owing, directly or indirectly, to the Securityholder is the Montana Indebtedness, if any, set forth opposite such Securityholder's name on Appendix A.
- (h) No Commitment. None of the Securityholder Securities or, if applicable, the Montana Indebtedness held by the Securityholder is the subject of any commitment, undertaking or agreement, the terms of which would affect in any way the ability of the Securityholder to perform the Securityholder's obligations with respect to its Securityholder Securities and, if applicable, Montana Indebtedness as set out in this Agreement.
- (i) Arrangement Agreement. The Securityholder has been provided with sufficient opportunity to review the Arrangement Agreement and is satisfied with its terms and conditions.

4.2 Representations and Warranties of GFP

GFP hereby represents and warrants to each Securityholder as follows, and acknowledges that the Securityholder is relying upon such representations, warranties and covenants in entering into this Agreement:

- (a) Authorization. GFP has the requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder.
- (b) Enforceability. This Agreement has been duly executed and delivered by GFP and constitutes a legal, valid and binding agreement enforceable by the Securityholder against GFP in accordance with its terms, subject, however, to limitations with respect to enforcement imposed by law in connection with bankruptcy or similar proceedings, the equitable power of the courts to stay proceedings before them and the execution of judgments and to the extent that equitable remedies such as specific performance and injunction are in the discretion of the court from which they are sought.
- (c) No Violation. GFP is not a party to, bound or affected by or subject to, any charter or by-law, contract, provision, statute, regulation, judgment, order, decree or law which would in any material respect be violated, contravened or breached by, or under which any material default would occur as a result of, the execution and delivery of this Agreement or the consummation of any of the transactions provided for in this Agreement.
- (d) Consents. No consent, approval or authorization of, or declaration or filing with, or notice to, any Governmental Authority which has not been received or made is required by GFP in connection with the execution and delivery of this Agreement by GFP, except as provided in the Arrangement Agreement.

ARTICLE 5 **TERMINATION**

5.1 Termination by GFP

GFP, when not in material default in the performance of its obligations under this Agreement or the Arrangement Agreement, may, in its sole discretion, terminate this Agreement as regards GFP and any Securityholder by written notice to such Securityholder if:

- (a) any of the representations and warranties of such Securityholder under this Agreement shall not be true and correct in all material respects; or
- (b) such Securityholder shall not have complied with its covenants to GFP contained in this Agreement in all material respects;

provided, however, that such termination shall be without prejudice to any rights which GFP may have as a result of any default by such Securityholder prior to such termination.

5.2 Termination by the Securityholders

Each Securityholder, when not in material default in its performance of its obligations under this Agreement, may, in its sole discretion, terminate this Agreement as regards such Securityholder and GFP by written notice to GFP if:

- (a) any of the representations and warranties of GFP under this Agreement shall not be true and correct in all material respects; or
- (b) GFP shall not have complied with its covenants to such Securityholder contained in this Agreement in all material respects;

provided, however, that such termination shall be without prejudice to any rights which such Securityholder may have as a result of any default by GFP prior to such termination.

5.3 Automatic Termination

Unless extended by mutual agreement of a Securityholder (as regards such Securityholder only), on the one hand, and GFP, on the other hand, this Agreement shall automatically terminate on:

- (a) the date of termination of the Arrangement Agreement, if such termination is pursuant to any of Sections 8.1(b)(i), 8.1(b)(ii)(B), 8.1(b)(ii)(C), 8.1(b)(iii)(A), 8.1(b)(iii)(C) (if as a result of the failure of any of the conditions set forth in Sections 5.1(a), 5.1(d), 5.1(e), 5.1(f), 5.1(g) or 5.2 to be satisfied), 8.1(b)(iii)(D), 8.1(b)(iii)(E), 8.1(b)(iii)(F), 8.1(b)(iv)(B) or 8.1(b)(iv)(C) (if as a result of the failure of any of the conditions set forth in Sections 5.1(a), 5.1(d), 5.1(e), 5.1(f) or 5.1(g) to be satisfied) of the Arrangement Agreement; or
- (b) such date which is four (4) months following the date of termination of the Arrangement Agreement, if such termination is pursuant to any of Sections 8.1(b)(ii)(A), 8.1(b)(ii)(D), 8.1(b)(iii)(B), 8.1(b)(iii)(C) (if as a result of the failure of any of the conditions set forth in Sections 5.1(b), 5.1(c) or 5.2 to be satisfied), 8.1(b)(iii)(D), 8.1(b)(iii)(E), 8.1(b)(iii)(F), 8.1(b)(iv)(A), or 8.1(b)(iv)(C) (if as a result of a failure of any of the conditions set forth in Sections 5.1(b), 5.1(c) or 5.3 to be satisfied), 8.1(b)(iv)(D), 8.1(b)(iv)(E) or 8.1(b)(iv)(F) of the Arrangement Agreement.

Notice of termination of the Arrangement Agreement, and of the section of the Arrangement Agreement pursuant to which such termination has occurred, shall be provided by GFP to the Securityholder.

5.4 Agreement to Terminate

This Agreement may be terminated by a written instrument executed by each of GFP and the relevant Securityholder.

5.5 Effect of Termination

If this Agreement is terminated in accordance with this Article 5, the provisions of this Agreement will become void and no party shall have liability to any other party in respect of whom this Agreement has been terminated, except in respect of a breach of the representations, warranties, obligations, terms or conditions of this Agreement which occurred prior to such termination, in which case any party to this Agreement shall be entitled to pursue any and all remedies at law or equity which may be available to it.

ARTICLE 6
GENERAL

6.1 Further Assurances

Each Securityholder and GFP will, from time to time, execute and deliver all such further documents and instruments and do all such acts and things as the other party may reasonably require (at the requesting party's cost) to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

6.2 Survival of Representations and Warranties

No investigations made by or on behalf any party or any of its authorized agents at any time shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation, warranty or covenant made by any other party herein or pursuant hereto.

6.3 Disclosure

No press release or other disclosure (public or otherwise) with respect to the existence or details of this Agreement or the Arrangement shall be made by a Securityholder without the prior written consent of GFP, except to the extent required by applicable law.

6.4 Assignment

Subject to prior written notice to the Securityholders, GFP may assign all or part of its rights under this Agreement to a wholly-owned subsidiary of GFP, but, if such assignment takes place, GFP shall continue to be liable jointly and severally with the assignee for any obligations hereunder. This Agreement shall not otherwise be assignable by any party hereto without the prior written consent of the other party hereto, which consent may not be unreasonably withheld.

6.5 Time

Time shall be of the essence of this Agreement.

6.6 Currency

All sums of money referred to in this Agreement shall mean the lawful currency of Canada.

6.7 Interpretation

Wherever the words “include”, “including” or “includes” are used in this Agreement, they are not intended to be limiting and they shall be deemed to be followed by the words “without limitation”.

6.8 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and the parties hereto irrevocably attorn to the jurisdiction of the courts of the Province of Ontario in respect of all disputes arising under or in relation to this Agreement.

6.9 Entire Agreement

This Agreement, including the appendices hereto and the provisions of the Arrangement Agreement incorporated herein by reference, constitutes the entire agreement and understanding between and among the parties hereto with respect to the subject matter hereof and supersedes any prior agreement, representation or understanding with respect thereto.

6.10 Amendments

This Agreement may not be modified, amended, altered or supplemented, except upon the execution and delivery of a written agreement executed by all of the parties hereto.

6.11 Notices

Any notice, request, consent, agreement or approval which may or is required to be given pursuant to this Agreement shall be in writing and shall be sufficiently given or made if delivered, or sent by telecopier, in the case of:

- (a) GFP, addressed as follows:

Gale Force Petroleum Inc.
100 King Street West, Suite 5700
Toronto, ON M5X 1C7

Attention: Michael McLellan, Chief Executive Officer
Facsimile: (888) 398-8856

with a copy (which shall not constitute notice) to:

Blake, Cassels & Graydon LLP

until November 30, 2015, to:

600 de Maisonneuve Blvd. West, Suite 2200
Montreal, Quebec H3A 3J2
Canada

from and after December 1, 2015, to:

1 Place Ville Marie, Suite 3000
Montreal, Quebec H3B 4T9
Canada

Attention: Howard Levine
Facsimile: 514-982-4099

- (b) a Securityholder, addressed to the Securityholder at the address shown on the attached Appendix A

with a copy (which shall not constitute notice) to:

Bennett Jones LLP
4500, 855 – 2nd Street S.W.
Calgary, Alberta T2P 4K7

Attention: Brad Markel
Facsimile: (403) 265-7219

or to such other address as the relevant person may from time to time advise by notice in writing given pursuant to this Section 6.11. The date of receipt of any such notice, request, consent, agreement or approval shall be deemed to be the date of delivery or sending thereof if sent or delivered during normal business hours on a Business Day at the place of receipt and, otherwise, on the next following Business Day.

6.12 Specific Performance and other Equitable Rights

It is recognized and acknowledged that a breach by any party of any material obligations contained in this Agreement will cause the other party to sustain injury for which it would not have an adequate remedy at law for money damages. Accordingly, in the event of any such breach, any aggrieved party shall be entitled to the remedy of specific performance of such obligations and interlocutory, preliminary and permanent injunctive and other equitable relief in addition to any other remedy to which it may be entitled, at law or in equity, and each Securityholder will waive, in any action for specific performance, interlocutory, preliminary and permanent injunctive relief and/or any other

equitable relief, the defence of adequacy of a remedy at law and any requirement for the securing or posting of any bond in connection with the obtaining of any such relief.

6.13 Expenses

Each of the parties shall pay its respective legal, financial advisory and accounting costs and expenses incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed or prepared pursuant hereto and any other related costs and expenses whatsoever and howsoever incurred.

6.14 Counterparts

This Agreement, including Appendix A hereto, may be completed and executed in one or more counterparts which together shall be deemed to constitute one valid and binding agreement, and delivery of the counterparts may be effected by means of telecopier or other electronic transmission.

6.15 Independent Legal Advice

Each Securityholder acknowledges that:

- (a) the Securityholder has read this Agreement in its entirety, understands this Agreement and agrees to be bound by its terms and conditions;
- (b) the Securityholder has been advised to seek independent legal advice with respect to the Securityholder executing and delivering this Agreement and has received such advice or has, without undue influence, elected to waive the benefit of any such advice; and
- (c) the Securityholder is entering into this Agreement voluntarily.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.
SIGNATURE PAGES FOLLOW.]**

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first written above.

	)	
	)	
	)	
<u>(s) Elisa Saenz</u>	)	<u>(s) Jim Collins</u>
Witness	)	Jim Collins
	)	

GALE FORCE PETROLEUM INC.

Per: (s) Michael McLellan
Name: Michael McLellan
Title: Chief Executive Officer

Per: (s) Nancy Porter
Name: Nancy Porter
Title: Controller
We have authority to bind the Corporation

**INTERVENTION BY MONTANA EXPLORATION CORP.
AS DEBTOR OF THE MONTANA INDEBTEDNESS**

In respect of each Securityholder who is also a creditor of Montana Indebtedness, Montana hereby intervenes into this Agreement for the purpose of acknowledging and accepting the covenants of such Securityholder regarding the conversion of such Montana Indebtedness pursuant to the Montana Debt Conversion.

MONTANA EXPLORATION CORP.

Per: (s) Charles Selby
Name: Charles Selby
Title: Chairman & Chief Executive Officer

Per: (s) Don Foulkes
Name: Don Foulkes
Title: President
We have authority to bind the Corporation

APPENDIX A

Securityholder Securities and Montana Indebtedness

Name of Securityholder	Address of Securityholder	Number of Montana Shares	Number of Montana Options	Amount of Montana Indebtedness
Jim Collins	[REDACTED: Personal Information]	55,082,168	400,000	\$7,589,966 (includes interest through August 6, 2015)

APPENDIX B

Arrangement Agreement

Attached

ARRANGEMENT AGREEMENT

THIS AGREEMENT is made as of the 24th day of June, 2015

BETWEEN:

MONTANA EXPLORATION CORP., a corporation existing under the laws of the Province of Alberta (“**Montana**”)

- and -

GALE FORCE PETROLEUM INC., a corporation existing under the federal laws of Canada (“**Gale Force**”)

BACKGROUND:

- (i) Montana and Gale Force wish to enter into a transaction providing for, among other things, the acquisition by Montana of all of the GFP Securities (as defined below);
- (ii) Montana and Gale Force intend to carry out the transaction contemplated by this Agreement (as defined below) by way of an arrangement under Section 192 of the *Canada Business Corporations Act*, substantially on the terms and subject to the conditions set out in the Plan of Arrangement (as defined below);
- (iii) The GFP Board (as defined below) has determined unanimously that the Plan of Arrangement (as defined below) is fair to the GFP Shareholders (as defined below) and is in the best interests of Gale Force and has unanimously resolved to recommend to the applicable GFP Securityholders (as defined below) that they vote in favour of the GFP Resolutions (as defined below); and
- (iv) The Montana Board (as defined below) has determined unanimously that the Plan of Arrangement (as defined below) is in the best interests of Montana and has unanimously resolved to recommend to the Montana Shareholders (as defined below) that they vote in favour of the Montana Resolutions (as defined below);

NOW THEREFORE, in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties (as hereinafter defined) hereby covenant and agree as follows.

ARTICLE 1 INTERPRETATION

1.1 Definitions

Whenever used in this Agreement, unless there is something in the context or subject matter that otherwise requires:

- (a) “**Acquisition Proposal**” means, in relation to either Gale Force or Montana, other than the transactions contemplated by this Agreement, any offer, proposal, expression of interest or inquiry (oral or in writing) from any person after the date hereof relating to:

- (i) any alliance, joint venture, earn-in right, option to acquire, acquisition, sale or transfer, direct or indirect, of or affecting:
 - (A) the assets of such Party and/or one or more of its subsidiaries that, individually or in the aggregate:
 - (I) constitute 20% or more of the fair market value of the consolidated assets of such Party and its subsidiaries;
 - (II) generate 20% or more of the consolidated revenues of such Party and its subsidiaries;
 - (III) generate 20% or more of the consolidated income of such Party and its subsidiaries; or
 - (B) 20% or more of the outstanding voting or equity securities (and/or securities convertible into equity securities) of such Party or any of its subsidiaries; or
- (ii) an amalgamation, plan of arrangement, merger, business combination, consolidation, share exchange, reorganization, recapitalization, liquidation, dissolution or similar transaction involving such Party or any of its subsidiaries; or
- (iii) any take-over bid, tender offer, issuer bid, exchange offer or similar transaction which would result in such person beneficially owning, directly or indirectly, 20% or more of any class of voting or equity securities (and/or securities convertible into equity securities) of such Party or any of its subsidiaries; or
- (iv) any other transaction, the consummation of which could reasonably be expected to impede, interfere with, prevent or materially delay the transactions contemplated by this Agreement or the Arrangement, or which could reasonably be expected to materially reduce the benefits to the other Party under this Agreement or the Plan of Arrangement;
- (b) **“Adverse Recommendation Change”** has the meaning ascribed thereto in Section 3.3(b)(vii);
- (c) **“affiliate”** means, in respect of a specified person, a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, that specified person;
- (d) **“Agreement”** means this Arrangement Agreement (including the schedules hereto) as supplemented, amended or otherwise modified in accordance with the terms hereof;
- (e) **“Applicable Canadian Securities Laws”** means the applicable securities Laws of each of the provinces and territories of Canada, and the applicable rules, regulations, instruments, notices, blanket orders, instruments and policies published and/or promulgated thereunder;
- (f) **“Arrangement”** means the arrangement pursuant to Section 192 of the CBCA, on the terms and subject to the conditions set out in the Plan of Arrangement, as supplemented, modified, varied or amended in accordance with Article 7 or the Plan of Arrangement or at the direction of the Court pursuant to the Final Order with the consent of Montana and Gale Force, each acting reasonably;

- (g) **“Arrangement Resolution”** means the special resolution approving, *inter alia*, the Plan of Arrangement to be voted upon by the GFP Securityholders at the GFP Meeting, to be substantially in the form and content of Schedule C hereto;
- (h) **“Articles of Arrangement”** means the articles of arrangement in respect of the Arrangement required to be filed under Section 192(6) of the CBCA to be sent to the Director after the Final Order has been granted by the Court to give effect to the Arrangement, which shall be in form and content satisfactory to Montana and Gale Force, each acting reasonably;
- (i) **“Business Day”** means, with respect to any action to be taken, any day, other than a Saturday, Sunday or a statutory holiday in Calgary, Alberta or Toronto, Ontario;
- (j) **“CBCA”** means the *Canada Business Corporations Act*, R.S.C., 1985, c. C-44;
- (k) **“Certificate of Arrangement”** means the certificate of arrangement to be issued by the Director pursuant to Section 192(7) of the CBCA in respect of the Articles of Arrangement;
- (l) **“Confidentiality Agreement”** means the mutual non-disclosure agreement between Montana and Gale Force dated as of January 1, 2015;
- (m) **“control”**: a person shall be deemed to be controlled by another person or by two or more persons if (i) voting securities of the first-mentioned person carrying more than 50% of the votes attaching to such securities are held, otherwise than by way of security only, by or for the benefit of the other person or by or for the benefit of the other persons, and (ii), in the case of a company, the votes carried by such securities are entitled, if exercised, to elect a majority of the board of directors of such company;
- (n) **“Court”** means the Ontario Superior Court of Justice (Commercial List);
- (o) **“Depository”** means Computershare Investor Services Inc. in its capacity as depository for the Arrangement, or such other person as the Parties engage as depository for the Arrangement;
- (p) **“Director”** means the director appointed under section 260 of the CBCA;
- (q) **“Dissent Rights”** has the meaning ascribed thereto in the Plan of Arrangement;
- (r) **“Effective Date”** means the date shown upon the Certificate of Arrangement which gives effect to the Arrangement;
- (s) **“Effective Time”** means 12:01 a.m. (Toronto time) on the Effective Date;
- (t) **“Encumbrance”** means any hypothec, mortgage, pledge, assignment, charge, lien, security interest, claim or other encumbrance of any kind, trust, royalty, gross overriding royalty or carried, participation, net profits or other third party interest and any agreement, option, right of first refusal, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;
- (u) **“Environmental Laws”** means, with respect to any person or its business, activities, property, assets or undertaking, all applicable Laws relating to environmental or health and safety matters of the jurisdictions applicable to such person or its business, activities, property, assets or

undertaking, including, without limitation, legislation governing the use and storage of Hazardous Substances;

- (v) **“Exchange Ratio”** means (i) in respect of the GFP Common Shares, 0.465 of a Montana Share for every one (1) GFP Common Share, and (ii) in respect of the GFP Preferred Shares, 0.555 of a Montana Share for every one (1) GFP Preferred Share;
- (w) **“Fairness Opinion”** means the written opinion of the GFP Fairness Advisor that the consideration to be received by GFP Shareholders in connection with the Arrangement is fair, from a financial point of view, to the GFP Shareholders;
- (x) **“Final Order”** means the final order of the Court (in respect of Gale Force) approving the Arrangement pursuant to Section 192(4)(e) of the CBCA, as such order may be affirmed, amended or modified by any court of competent jurisdiction;
- (y) **“GFP Board”** means the board of directors of Gale Force as the same is constituted from time to time;
- (z) **“GFP Board Recommendation Change”** has the meaning ascribed thereto in Section 8.1(b)(iii)(A);
- (aa) **“GFP Circular”** means the notice of the GFP Meeting and accompanying management proxy circular, including all schedules, appendices and exhibits thereto, to be sent to GFP Securityholders in connection with the GFP Meeting, as amended, supplemented or otherwise modified from time to time;
- (bb) **“GFP Common Shares”** means the common shares in the share capital of Gale Force;
- (cc) **“GFP Debt”** means the aggregate amount of \$353,368.83 in short-term debt owing by Gale Force on account of directors’ fees, trade accounts payable and severance obligations;
- (dd) **“GFP Debt Conversion”** has the meaning ascribed thereto in Section 2.16;
- (ee) **“GFP Disclosure Letter”** means the disclosure letter dated the date hereof regarding this Agreement executed by Gale Force and delivered to Montana prior to the execution of this Agreement;
- (ff) **“GFP Fairness Advisor”** means Roche Securities Limited;
- (gg) **“GFP Fairness Advisor Engagement Letter”** means the engagement letter dated June 7, 2015, entered into between Gale Force and the GFP Fairness Advisor;
- (hh) **“GFP Financial Statements”** means the audited consolidated annual financial statements of Gale Force as at and for the years ended June 30, 2014 and 2013, together with the notes thereto and the auditor’s report thereon, and the unaudited consolidated interim financial statement of Gale Force as at and for the nine-month period ended March 31, 2015, together with the notes thereto;
- (ii) **“GFP Interests”** has the meaning ascribed thereto in Section 4.2(wv);
- (jj) **“GFP Mailing Date”** means the date on which the GFP Circular is mailed to the GFP Securityholders in connection with the GFP Meeting;

- (kk) **“GFP Meeting”** means the special meeting of GFP Securityholders, including any adjournment or postponement thereof, to be called and held in accordance with the Interim Order to consider the GFP Resolutions;
- (ll) **“GFP Meeting Record Date”** means the record date for GFP Securityholders entitled to receive notice of and vote at the GFP Meeting;
- (mm) **“GFP Net Debt”** means the amount by which the current liabilities and long term-debt of Gale Force exceeds its current assets;
- (nn) **“GFP Optionholders”** means the registered holders of GFP Options;
- (oo) **“GFP Options”** means the outstanding vested and unvested options of Gale Force to purchase GFP Common Shares granted under the GFP Stock Option Plan;
- (pp) **“GFP Preferred Share Dissent Threshold”** means the exercise of Dissent Rights by holders of no more than 10% of the issued and outstanding GFP Preferred Shares;
- (qq) **“GFP Preferred Shareholder Approval”** has the meaning ascribed thereto in Section 2.2(d)(iii);
- (rr) **“GFP Preferred Shares”** means the Series III preferred shares in the share capital of Gale Force;
- (ss) **“GFP Public Record”** means all documents and information filed by Gale Force since January 1, 2014 under Applicable Canadian Securities Laws and publicly available on SEDAR;
- (tt) **“GFP Reserves Report”** means the independent engineering evaluation dated August 28, 2014, of Gale Force’s oil, natural gas liquids and natural gas reserves prepared by LPC effective June 30, 2014;
- (uu) **“GFP Resolutions”** means, collectively, the Arrangement Resolution and the GFP Stated Capital Reduction Resolution;
- (vv) **“GFP Securities”** means, collectively, the GFP Shares and the GFP Options;
- (ww) **“GFP Securityholders”** means the holders of GFP Securities;
- (xx) **“GFP Shareholders”** means the holders of GFP Shares;
- (yy) **“GFP Shares”** means, collectively, the GFP Common Shares and the GFP Preferred Shares;
- (zz) **“GFP Stated Capital Reduction Resolution”** means the special resolution to be voted upon by the holders of GFP Common Shares at the GFP Meeting approving the reduction of the legal stated capital account in respect of the GFP Common Shares, by an amount necessary to comply with the provisions of Section 192(3) of the CBCA without any distribution to holders of GFP Common Shares, to be substantially in the form and content of Schedule B hereto;
- (aaa) **“GFP Stock Option Plan”** means the 2004 Stock Option Plan of Gale Force, as amended on June 8, 2014;
- (bbb) **“GFP Support Agreements”** means the voting agreements (including all amendments thereto) entered into between Montana and the GFP Supporting Securityholders;

- (ccc) **“GFP Supporting Securityholders”** means the following GFP Securityholders who have entered into the GFP Support Agreements with Montana, pursuant to which they have agreed, among other things, subject to the terms of the GFP Support Agreements, to vote their applicable GFP Securities (including any GFP Common Shares issuable upon the exercise of GFP Options) in favour of the GFP Resolutions and to otherwise support the Arrangement: Michael McLellan and Charles Marleau;
- (ddd) **“GFP Termination Fee”** means the sum of \$500,000;
- (eee) **“GFP Termination Fee Event”** has the meaning ascribed thereto in Section 6.3;
- (fff) **“GFP Third Party Beneficiaries”** has the meaning ascribed thereto in Section 10.9(a);
- (ggg) **“GLJ”** means GLJ Petroleum Consultants Ltd., independent qualified reserves evaluator and auditor in Calgary, Alberta;
- (hhh) **“Governmental Authority”** means (i) any multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign, (ii) any subdivision, agent, commission, board or authority of any of the foregoing, (iii) any quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing or (iv) any stock exchange, including the TSXV;
- (iii) **“Hazardous Substances”** means any waste or other substance that is prohibited, listed, defined, designated or classified as dangerous, hazardous, radioactive, explosive or toxic or a pollutant or a contaminant under or pursuant to any Environmental Laws, and specifically including petroleum and all derivatives thereof and synthetic substitutes therefor;
- (jjj) **“IFRS”** Canadian generally accepted accounting principles for publicly accountable enterprises, being International Financial Reporting Standard, as adopted by the Canadian Accounting Standards Board effective for periods beginning on or after January 1, 2011;
- (kkk) **“Interim Order”** means the interim order of the Court under Section 192(4) of the CBCA in respect of the Arrangement, containing declarations and directions with respect to the Arrangement and the holding of the GFP Meeting, as such order may be affirmed, amended or modified by any court of competent jurisdiction at the request of Gale Force with the consent of Montana, acting reasonably;
- (lll) **“Laws”** means all laws (including common law), by-laws, statutes, rules, regulations, principles of law and equity, orders, writs, awards, decrees, rulings, ordinances, judgements, injunctions, determinations or other requirements, whether domestic or foreign, and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Authority or self-regulatory authority (including, where applicable, the TSXV), and the term “applicable” with respect to such Laws and in a context that refers to one or more persons, means such Laws as are applicable to such person or its business, undertaking, property or securities and emanate from a person having jurisdiction over the person or persons or its or their business, undertaking, property or securities;
- (mmm) **“LPC”** means LaRoche Petroleum Consultants, Ltd., independent qualified reserves evaluator and auditor in Richardson, Texas;

- (nnn) “**Material Adverse Effect**” means, with respect to either Party (in each case, on a consolidated basis), any change, effect, occurrence, event, state of facts that individually or in the aggregate with other such changes, effects, occurrences, events or states of facts is or would reasonably be expected to be material and adverse to the business, operations, results of operations, assets, title to assets, properties, prospects, capitalization, or condition (financial or otherwise), whether contractual or otherwise of such Party, and, if applicable, its subsidiaries, taken as a whole, other than an effect:
- (i) that relates to or arises out of a matter that has, prior to the date hereof, been publicly disclosed or disclosed to the other Party in writing;
 - (ii) that relates to or arises out of conditions affecting the oil and natural gas exploration, exploitation, development and production industry as a whole and not specifically relating to the applicable Party, including changes in Laws (including Tax Laws) and royalties;
 - (iii) that relates to or arises out of general changes to economic, financial, currency exchange, securities or commodity market conditions in Canada, the United States of America or any other jurisdiction where the Party operates;
 - (iv) that relates to or arises out of any change in the market price of crude oil, natural gas or related hydrocarbons;
 - (v) that relates to any failure by the Party to meet any internal or published financial or other projections or forecasts, including projections and forecasts provided to the other Party in connection with its due diligence inquiries or the negotiation of this Agreement (provided that this clause (v) will not prevent a determination that any event or development giving rise to such a failure to meet projections or forecasts has had a Material Adverse Effect to the extent such event or development is not otherwise excluded from this definition);
 - (vi) that relates to or arises out of any action taken by a Party or a subsidiary of the Party, if any, that is consented to by the other Party in accordance with the terms of this Agreement;
 - (vii) that relates to or arises out of any change in IFRS, or changes in accounting requirements (including international financial reporting standards) applicable to the oil and natural gas industry;
 - (viii) that relates to or arises out of any action taken by the Party or a subsidiary of the Party, if any, where such action is required pursuant to this Agreement (excluding any obligation to act in the ordinary course of business, but including any steps taken to obtain any regulatory or third party approval required in connection with the Arrangement);
 - (ix) that relates to or arises out of any change or proposed change in Laws not specifically directed at such Party or its subsidiaries, if any, or in the interpretation or administration of such Laws by any Governmental Authority;
 - (x) that relates to or arises out of any natural disaster; or
 - (xi) that relates to or arises out of the public announcement of this Agreement or the transactions contemplated hereby;

provided, however, that: (A) while a change in the market price or trading volume of a Party's equity securities will not itself be considered to have a Material Adverse Effect, the underlying cause of such change may be considered in determining whether an event, development or circumstance has a Material Adverse Effect; (B) references in this Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretative for purposes of determining whether an event, development or circumstance has a Material Adverse Effect; and (C) notwithstanding the foregoing, any change, effect, event, occurrence or state of facts described in clauses (i), (ii), (vii), (ix) and (x) of this definition shall constitute a Material Adverse Effect of such Party to the extent that any such change, effect, occurrence, event or state of facts has or would reasonably be expected to have, individually or in the aggregate, a disproportionate impact on the business, operations, results of operations, assets, title to assets, properties, prospects or condition (financial or otherwise) of such Party and its subsidiaries taken as a whole, relative to comparable entities operating in the industry in which such Party operates;

- (ooo) **"material change"** has the meaning ascribed thereto in the *Securities Act* (Ontario);
- (ppp) **"misrepresentation"** has the meaning ascribed thereto in the *Securities Act* (Ontario);
- (qqq) **"Montana Board"** means the board of directors of Montana as the same is constituted from time to time;
- (rrr) **"Montana Board Recommendation Change"** has the meaning ascribed thereto in Section 8.1(b)(iv)(A);
- (sss) **"Montana Circular"** means the notice of the Montana Meeting and accompanying management proxy circular, including all schedules, appendices and exhibits thereto, to be sent to Montana Shareholders in connection with the Montana Meeting, as amended, supplemented or otherwise modified from time to time;
- (ttt) **"Montana Debt Conversion"** means the conversion prior to the Effective Time of an aggregate of \$8,827,135 of indebtedness (plus interest accrued since March 31, 2015 until the date conversion of such amount) owing by Montana, directly or indirectly, to certain of the Montana Shareholders into Montana Shares at a price of \$0.10 per share;
- (uuu) **"Montana Disclosure Letter"** means the disclosure letter dated the date hereof regarding this Agreement executed by Montana and delivered to Gale Force prior to the execution of this Agreement;
- (vvv) **"Montana Financial Statements"** means the audited consolidated annual financial statements of Montana as at and for the years ended December 31, 2014 and 2013, together with the notes thereto and the auditor's report thereon, and the unaudited consolidated interim financial statements of Montana as at and for the three-month period ended March 31, 2015, together with the notes thereto;
- (www) **"Montana Interests"** has the meaning ascribed thereto in Section 4.1(vv);
- (xxx) **"Montana Lands"** has the meaning ascribed thereto in Section 4.1(ggg);
- (yyy) **"Montana Mailing Date"** means the date on which the Montana Circular is mailed to the Montana Shareholders in connection with the Montana Meeting;

- (zzz) **“Montana Meeting”** means the annual general and special meeting of Montana Shareholders, including any adjournment or postponement thereof, to be called for the purposes of obtaining the approval of the Montana Resolutions, appointing the auditors of Montana and presenting to the Montana Shareholders, Montana’s audited financial statements for the year ended December 31, 2014;
- (aaaa) **“Montana Option Plan”** means the stock option plan most recently adopted by the Montana Shareholders on January 15, 2015 pursuant to which the Montana Replacement Options shall be issued;
- (bbbb) **“Montana Public Record”** means all documents and information filed by Montana since January 1, 2014 under Applicable Canadian Securities Laws and publicly available on SEDAR;
- (cccc) **“Montana Replacement Options”** means options to purchase Montana Shares issued pursuant to the Plan of Arrangement in replacement of the GFP Options;
- (dddd) **“Montana Reserves Report”** means the independent engineering evaluation dated March 17, 2015, of Montana’s oil, natural gas liquids and natural gas reserves prepared by GLJ effective December 31, 2014;
- (eeee) **“Montana Resolutions”** means, collectively: (i) the resolution approving the renewal of the Montana Option Plan pursuant to which an aggregate of such number of Montana Shares as is equal to 10% of number of issued and outstanding Montana Shares may be issued from time to time; (ii) the resolution fixing the number of directors on the Montana Board; and (iii) the resolution electing James Collins, Donald Foulkes, Michael Hibberd, Julian McIntyre, Charles Selby and Allan Bezanson to the Montana Board;
- (ffff) **“Montana Shareholder”** means a holder of Montana Shares;
- (gggg) **“Montana Shares”** means common shares in the share capital of Montana;
- (hhhh) **“Montana Support Agreements”** means the voting agreements and, where applicable, debt conversion agreements (including all amendments thereto) entered into between Gale Force and the Montana Supporting Shareholders;
- (iiii) **“Montana Supporting Shareholders”** means the following Montana Shareholders who have entered into the Montana Support Agreements with Gale Force, pursuant to which they have agreed, among other things, subject to the terms of the Montana Support Agreements, to vote their Montana Shares (including any Montana Shares issuable upon the exercise of any securities convertible into or exercisable for Montana Shares) in favour of the Montana Resolutions and, where applicable, effect the Montana Debt Conversion: James Collins and Blue Sky Exploration Limited;
- (jjjj) **“Montana Termination Fee”** means the sum of \$500,000;
- (kkkk) **“Montana Termination Fee Event”** has the meaning ascribed thereto in Section 6.4;
- (llll) **“Montana Third Party Beneficiaries”** has the meaning ascribed thereto in Section 10.9(b);
- (mmmm) **“ordinary course of business”**, “ordinary course of business consistent with past practice”, or any similar reference, means, with respect to an action taken by a person, that such

action is consistent in nature, scope and magnitude with the past practices of such person and is taken in the ordinary course of the normal day-to-day business and operations of such person; provided that in any event such action is not unreasonable or unusual or could not reasonably be expected to impede or impair the completion of the Arrangement;

- (nnnn) **“Outside Date”** means the date that is four (4) months from the date of entering into this Agreement; provided, however, that in the event the outside date for the GFP Meeting is extended pursuant to Section 2.4 and/or the Montana Meeting is extended pursuant to Section 2.6, the Outside Date shall be extended by the same number of days;
- (oooo) **“Parties”** means, collectively, Montana and Gale Force;
- (pppp) **“person”** shall be broadly interpreted and includes an individual, partnership, association, body corporate, trustee, executor, administrator, legal representative, government (including any Governmental Authority) or any other entity, whether or not having legal status;
- (qqqq) **“Plan of Arrangement”** means the plan of arrangement under the CBCA described in Section 2.1, which plan of arrangement shall be substantially in the form set out in Schedule A to this Agreement, as such plan of arrangement may be supplemented, modified, varied or amended from time to time in accordance with Article 6 thereof or with Article 7;
- (rrrr) **“proceeding”** means, for the purposes of Sections 4.1(p) and 4.2(o), any court, administrative, regulatory or similar proceeding (whether civil, quasi-criminal or criminal), arbitration or other dispute settlement procedure, investigation or inquiry by any Governmental Authority, or any claim, action, suit, demand, arbitration, charge, indictment, hearing or other similar civil, quasi-criminal or criminal, administrative or investigative material matter or other similar proceeding;
- (ssss) **“Release”** means any sudden, intermittent or gradual release, spill, leak, pumping, addition, pouring, emission, emptying, discharge, migration, injection, escape, leaching, disposal, dumping, deposit, spraying, burial, abandonment, incineration, seepage, placement or introduction of a Hazardous Substance, whether accidental or intentional, into the natural environment;
- (tttt) **“Representatives”** has the meaning ascribed thereto in Section 3.3(a);
- (uuuu) **“Returns”** means all reports, estimates, elections, designations, forms, declarations of estimated tax, information statements and returns relating to, or required to be filed in connection with, any Taxes;
- (vvvv) **“Section 3(a)(10) Exemption”** has the meaning ascribed thereto in Section 2.3;
- (wwwv) **“Securities Authorities”** means the applicable securities commissions and other securities regulatory authorities in each of the provinces and territories of Canada;
- (xxxx) **“SEDAR”** means the System for Electronic Document Analysis Retrieval of the Canadian Securities Administrators;
- (yyyy) **“subsidiary”** means, with respect to a person, any:
 - (i) body corporate of which more than 50% of the outstanding shares ordinarily entitled to elect a majority of the board of directors thereof (whether or not shares of any other class

or classes shall or might be entitled to vote upon the happening of any event or contingency) are, at the time, owned directly or indirectly by such specified entity or indirectly by or for the benefit of such specified entity;

- (ii) entity which is not a body corporate, of which more than 50% of the voting or equity interests of such entity (including, for a partnership other than a limited partnership, the voting or equity interests in such partnership) are owned, directly or indirectly, by such specified entity or indirectly by or for the benefit of such specified entity and in the case of a partnership (including a limited partnership), of which such specified entity, or a subsidiary of such specified entity, is a general partner; and
 - (iii) any issuer that would be considered a subsidiary of the specified entity in accordance with the *Securities Act* (Ontario);
- (zzzz) “**Superior Proposal**” means an unsolicited written *bona fide* Acquisition Proposal made after the date of this Agreement (and not obtained in violation of Section 3.3 or any agreement between the third party making such Acquisition Proposal and the Party in respect of which such Acquisition Proposal is made) that relates to 100% of the outstanding GFP Shares or Montana Shares, as applicable, or all or substantially all of the consolidated assets of Gale Force or Montana, as applicable, and its subsidiaries, and (i) complies with all applicable Laws; (ii) the funds or other consideration necessary for the consummation of which are available or, as demonstrated to the GFP Board or the Montana Board, as applicable, acting in good faith, are the subject of adequate financing arrangements which will be in place to ensure that the third party will have the funds necessary for the consummation of such Acquisition Proposal; (iii) is reasonably capable of being completed without undue delay, taking into account all financial, legal, regulatory and other aspects of such Acquisition Proposal; and the third party making such proposal; (iv) is not subject to any due diligence (except for confirmatory due diligence) or access condition; (v) in respect of which the GFP Board determines or the Montana Board, as applicable, in its good faith judgment, that (A) after receiving the advice of its outside legal advisors as reflected in the minutes of the relevant meeting of the GFP Board or the Montana Board, as applicable, failure to recommend such Acquisition Proposal to the GFP Shareholders or the Montana Shareholders, as applicable, would be inconsistent with its fiduciary duties under applicable Law; and (B) after receiving the advice of its outside financial advisors as reflected in the minutes of the relevant meeting of the GFP Board or the Montana Board, as applicable, having regard for all of its terms and conditions, such Acquisition Proposal, will, if consummated in accordance with its terms (but not assuming away any risk of non-completion), result in a transaction more favourable to the GFP Shareholders or the Montana Shareholders, as the case may be, from a financial point of view than the transaction contemplated by this Agreement, after taking into account any change to the transaction contemplated by this Agreement proposed by the other Party pursuant to Section 3.3(d); and (vi) that does not provide for the payment of any break, termination or other fees or expenses to the other party to the Acquisition Proposal in the event that Gale Force completes the Arrangement or any other similar transaction with Montana or any of its affiliates agreed to prior to any termination of this Agreement;
- (aaaaa) “**Tax Act**” means the *Income Tax Act* (Canada) R.S.C. 1985, c. 1 (5th Supp.), including the regulations promulgated thereunder;
- (bbbbb) “**Tax**” or “**Taxes**” means all taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever imposed by any Governmental Authority, together with all interest, penalties, fines, additions to tax or other additional amounts imposed in respect thereof, including those levied on, or measured by, or referred to as, income, gross receipts, profits,

capital, large corporation, capital gain, alternative minimum, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, all employment insurance, health insurance and Canada and other Governmental Authority pension plan and workers compensation premiums or contributions including any interest, fines or penalties for failure to withhold, collect or remit any tax and any liability for such taxes imposed by law with respect to any other person arising pursuant to any tax sharing, indemnification or other agreements or any liability for taxes of any predecessor or transferor entity and whether disputed or not;

(ccccc) “**Termination Fee**” means the GFP Termination Fee or the Montana Termination Fee, as applicable;

(ddddd) “**TSXV**” means the TSX Venture Exchange; and

(eeeeee) “**U.S. Securities Act**” means the United States Securities Act of 1933, as amended.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into articles, sections and subsections is for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereof”, “herein” and “hereunder” and similar expressions refer to this Agreement (including the schedules hereto) and not to any particular article, section, schedule or other portion hereof and include any agreement or instrument supplementary or ancillary hereto.

1.3 Number, etc.

Words importing the singular number include the plural and vice versa, words importing the use of any gender include all genders.

1.4 Date for Any Action

If any date on which any action is required to be taken hereunder or any notice is deemed to be received hereunder by either of the Parties is not a Business Day, such action shall be taken or such notice shall be deemed to be received on the next succeeding day that is a Business Day.

1.5 Entire Agreement

This Agreement, the GFP Disclosure Letter, the Montana Disclosure Letter, and the Confidentiality Agreement, together with the agreements and documents herein and therein referred to, constitute the entire agreement among the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, among the Parties with respect to the subject matter hereof. For greater certainty, the Montana Support Agreements and the GFP Support Agreements are separate agreements between the parties thereto and are unaffected by this Section 1.5.

1.6 Currency

Unless otherwise indicated, all sums of money referred to in this Agreement are expressed in lawful money of Canada.

1.7 Accounting Matters

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings ascribed thereto under IFRS at the applicable date and all determinations of an accounting nature that are required to be made shall be made in a manner consistent with IFRS.

1.8 Disclosure in Writing

Reference to disclosure in writing herein shall, in the case of Montana, include disclosure to Montana or its representatives, and in the case of Gale Force, include disclosure to Gale Force or its representatives.

1.9 References to Legislation

References in this Agreement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

1.10 Knowledge

Where any representation or warranty contained in this Agreement is expressly qualified by reference to the knowledge of a Party, it refers to the actual knowledge of the senior officers of such Party, and the knowledge that such senior officers would reasonably be expected to have after making all reasonable inquiries, but does not include the knowledge or awareness of any other individual or any constructive, implied or imputed knowledge.

1.11 No Strict Construction

The Parties acknowledge that their respective legal counsel have reviewed and participated in settling the terms of this Agreement, and the Parties hereby agree that any rule of construction to the effect that any ambiguity is to be resolved against the drafting party will not be applicable in the interpretation of this Agreement.

ARTICLE 2 THE ARRANGEMENT AND MEETINGS

2.1 Plan of Arrangement

The Parties agree to carry out the Arrangement in accordance with and subject to the terms and conditions contained in this Agreement and the Plan of Arrangement.

2.2 Interim Order

Gale Force shall, as soon as reasonably practicable and in any event no later than twenty (20) days after the date hereof, in a manner acceptable to Montana, acting reasonably, and in cooperation with Montana, prepare, file and thereafter diligently pursue (subject to the Court's availability) an application before the Court for the Interim Order, which shall provide, among other things:

- (a) for the calling and holding of the GFP Meeting and for the class of persons to whom notice of the GFP Meeting is to be provided and for the manner in which such notice is to be provided;
- (b) that the GFP Meeting Record Date will not change in respect of any adjourned GFP Meeting;

- (c) that each GFP Securityholder shall be entitled to vote with respect to the Arrangement Resolution, with each GFP Shareholder and GFP Optionholder being entitled to one vote for each GFP Share held and one vote for each GFP Option held, respectively;
- (d) that, subject to approval of the Court, the requisite majority for the approval of the Arrangement Resolution shall be:
 - (i) at least two-thirds of the votes cast by the holders of GFP Common Shares present in person or represented by proxy at the GFP Meeting;
 - (ii) at least two-thirds of the votes cast by the holders of GFP Common Shares and the holders of GFP Options present in person or represented by proxy at the GFP Meeting, voting together as a single class;
 - (iii) at least two-thirds of the votes cast by the holders of GFP Preferred Shares present in person or represented by proxy at the GFP Meeting (the “**GFP Preferred Shareholder Approval**”); provided, however, that (A) should the GFP Preferred Shareholder Approval not be obtained or (B) should the GFP Preferred Shareholder Approval be obtained but the GFP Preferred Shareholder Dissent Threshold be exceeded without Montana having otherwise elected to proceed with the Arrangement in respect of the GFP Preferred Shares as contemplated by Section 7.2, and in either case the other approvals referred to in this Section 2.2(d) have been obtained, the Arrangement shall nonetheless proceed in respect of the GFP Common Shares and the GFP Options as contemplated by Section 3.2 of the Plan of Arrangement, but not in respect of the GFP Preferred Shares; and
 - (iv) if applicable, a majority of the votes cast by the holders of GFP Common Shares present in person or represented by proxy at the GFP Meeting, after excluding the votes cast by those persons whose votes must be excluded in accordance with Multilateral Instrument 61-101 - *Protection of Minority Securityholders in Special Transactions*;
- (e) that in all other respects, the terms, restrictions and conditions of the articles and by-laws of Gale Force, including quorum requirements and all other matters relating to meetings of the GFP Shareholders, shall apply in respect of the GFP Meeting;
- (f) for the grant of Dissent Rights to registered GFP Shareholders in the manner contemplated by the Plan of Arrangement;
- (g) for the notice requirements with respect to the presentation of the application to the Court for the Final Order;
- (h) that the GFP Meeting may be adjourned or postponed from time to time by Gale Force (with the prior consent of Montana) without the need for additional approval of the Court; and
- (i) for such other matters as Montana or Gale Force (with the prior consent of the other) may reasonably require.

2.3 U.S. Securities Law Matters

The Parties agree that the Arrangement will be carried out with the intention that all Montana Shares and Montana Replacement Options issued on completion of the Arrangement to the GFP

Securityholders will be issued by Montana in reliance on the exemption from the registration requirements provided by Section 3(a)(10) of the U.S. Securities Act (the “**Section 3(a)(10) Exemption**”). In order to ensure the availability of the Section 3(a)(10) Exemption, the Parties agree that, subject to the approval of the Court, the Arrangement will be carried out on the following basis:

- (a) the terms and conditions of the Arrangement will be subject to the approval of the Court;
- (b) the Court will be advised as to the intention of the Parties to rely on the Section 3(a)(10) Exemption prior to the hearing required to approve the terms and conditions of the Arrangement;
- (c) the Court will be asked to determine that the Arrangement is an arrangement for the purposes of Section 192 of the CBCA and is fair and reasonable in accordance with the requirements of such section;
- (d) the Court will hold a hearing before approving the procedural and substantive fairness of the terms and conditions of the Arrangement;
- (e) each GFP Securityholder entitled to receive Montana Shares or Montana Replacement Options, as the case may be, on completion of the Arrangement will be given adequate notice advising them of their right to attend the hearing for the Final Order to give approval of the terms and conditions of the Arrangement and providing them with sufficient information necessary for them to exercise that right;
- (f) the GFP Securityholders will be advised that the Montana Shares and Montana Replacement Options issued pursuant the Arrangement have not been registered under the U.S. Securities Act and will be issued by Montana in reliance upon the Section 3(a)(10) Exemption and certain restrictions on resale under the securities laws of the United States, including, as applicable, Rule 144 and Regulation S under the U.S. Securities Act as may be applicable with respect to securities issued to affiliates of Montana; and
- (g) the Interim Order approving the GFP Meeting will specify that each GFP Securityholder will have the right to appear before the Court at the hearing for the Final Order to approve of the terms and conditions of the Arrangement so long as it serves and files a notice of appearance, together with copies of any affidavit materials or other materials upon which it intends to rely at the hearing for the Final Order, to the solicitors for the petitioner at the address and within the time periods specified in the Interim Order.

2.4 GFP Meeting

- (a) Subject to the terms of this Agreement, Gale Force shall convene and conduct the GFP Meeting in accordance with the Interim Order, the articles of continuance and by-laws of Gale Force and applicable Law and shall hold the GFP Meeting as soon as reasonably practicable and, in any event, within ninety-five (95) days from the date hereof, subject to such extension as the Parties may agree, each acting reasonably. Except as required by applicable Law, or with the prior written consent of Montana, which shall not be unreasonably delayed or withheld, the GFP Resolutions shall be the only matters of business transacted at the GFP Meeting, with the GFP Stated Capital Reduction Resolution to be considered and voted upon before the Arrangement Resolution; provided that, if Gale Force is required by applicable Law, or permitted by Montana in writing, to transact any other item of business at the GFP Meeting, Gale Force shall cause the GFP Resolutions to be considered and voted upon before any other item of business to be transacted at the GFP Meeting.

- (b) Subject to the terms of this Agreement, Gale Force shall solicit proxies in favour of the approval of the GFP Resolutions and take all other reasonable action necessary or desirable to secure the approval of the GFP Resolutions; provided, however, that if Gale Force makes any GFP Board Recommendation Change, it shall remain obligated to solicit proxies, but shall no longer be obligated to recommend approval of the GFP Resolutions.
- (c) Gale Force shall give notice to Montana of the GFP Meeting and allow Montana's representatives and legal counsel to attend the GFP Meeting.
- (d) Gale Force shall advise Montana, as Montana may reasonably request, and at least on a daily basis on each of the last ten (10) Business Days prior to the date of the GFP Meeting, as to the aggregate tally of the proxies received by Gale Force in respect of the matters to be voted upon at the GFP Meeting.
- (e) As soon as practicable following the date of this Agreement, Gale Force shall convene a meeting of the GFP Board to approve the GFP Circular.
- (f) Gale Force shall not adjourn, postpone or cancel (or propose for adjournment, postponement or cancellation), or fail to call, the GFP Meeting without Montana's prior written consent, (i) except as required for quorum purposes (in which case the GFP Meeting shall be adjourned and not cancelled) or by applicable Law or by a Governmental Authority or (ii) other than as directed by Montana in accordance with Section 3.3(d).
- (g) Gale Force shall promptly advise Montana of any material communication (written or oral) received by Gale Force from the TSXV, any of the Securities Authorities or any other Governmental Authority in connection with the GFP Meeting.

2.5 GFP Circular

- (a) Gale Force shall prepare the GFP Circular in compliance with Applicable Canadian Securities Laws and file the GFP Circular on a timely basis in all jurisdictions where it is required to be filed and mail it as required by the Interim Order, all in accordance with applicable Laws.
- (b) Gale Force shall ensure that the GFP Circular complies in all material respects with all applicable Laws, and, without limiting the generality of the foregoing, that the GFP Circular shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made (other than in each case with respect to any written information relating to and provided by Montana expressly for inclusion in the GFP Circular). Subject to Section 3.3, the GFP Circular shall include (a) the unanimous recommendation of the GFP Board that GFP Securityholders vote their applicable GFP Securities in favour of approving the GFP Resolutions, and a statement that each director and senior officer of Gale Force intends to vote all of his applicable GFP Securities (including any GFP Common Shares issued upon the exercise of any GFP Options) in favour of approving the GFP Resolutions, and (b) a summary and a copy of the Fairness Opinion, to the effect that, as of the date of such opinion, and subject to the assumptions, limitations and qualifications set forth therein, the consideration to be received pursuant to the Plan of Arrangement by the holders of GFP Shares is fair, from a financial point of view, to the holders of GFP Shares. Gale Force agrees that the content of the GFP Circular shall comply with the terms of this Agreement.

- (c) Montana shall furnish to Gale Force such information regarding Montana as may reasonably be required by Gale Force in the preparation of the GFP Circular, including such information as may be required in connection with preparing any pro forma financial statements in accordance with IFRS and as required by the Interim Order or applicable Laws, and Montana shall ensure that no such information will include any untrue statement of a material fact or omit to state a material fact required to be stated in such information or necessary in order to make any information so furnished or any information concerning Montana not misleading in light of the circumstances in which it is disclosed. Montana shall also use commercially reasonable efforts to cause to be delivered to Gale Force any necessary consents from any of Montana's auditors and any other advisors to the use of any financial, technical or other expert information required to be included or included in the GFP Circular and to the disclosure in the GFP Circular of the identity of any such advisor.
- (d) Montana and its legal counsel shall be given a reasonable opportunity to review and comment on the GFP Circular, prior to the GFP Circular being printed, mailed to GFP Securityholders and filed with the Securities Authorities, and reasonable and due consideration shall be given to any comments made by Montana and its counsel, provided that all information relating solely to Montana included in the GFP Circular, and any information describing the terms and conditions of this Agreement and/or the Plan of Arrangement, shall be in form and content satisfactory to Montana, acting reasonably. Gale Force shall provide Montana with a final copy of the GFP Circular prior to its mailing to the GFP Securityholders.
- (e) Each Party shall notify the other promptly if at any time before the Effective Date it becomes aware that the GFP Circular contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made, or otherwise requires an amendment or supplement to the GFP Circular, and the Parties shall co-operate in the preparation of any amendment or supplement to the GFP Circular, as required or appropriate, and Gale Force shall, if required by the Court or applicable Laws, promptly mail or otherwise publicly disseminate any amendment or supplement to the GFP Circular to GFP Securityholders and file the same with the Securities Authorities and as otherwise required.

2.6 Montana Meeting

- (a) Subject to the terms of this Agreement, Montana shall convene and conduct the Montana Meeting in accordance with Montana's articles of incorporation and by-laws and applicable Law and shall hold the Montana Meeting as soon as reasonably practicable and, in any event, within ninety-five (95) days from the date hereof, subject to such extension as the Parties may agree, each acting reasonably. Except as required by applicable Law, or with the prior written consent of Gale Force, which shall not be unreasonably delayed or withheld, the Montana Resolutions, the appointment of the auditors and the presentation of Montana's audited annual financial statements to the Montana Shareholders shall be the only matters of business transacted at the Montana Meeting; provided that, if Montana is required by applicable Law, or permitted by Gale Force in writing, to transact any other item of business at the Montana Meeting, Montana shall cause the Montana Resolutions to be considered and voted upon before any other item of business to be transacted at the Montana Meeting.
- (b) Subject to the terms of this Agreement, Montana shall solicit proxies in favour of the approval of the Montana Resolutions and take all other reasonable action necessary or desirable to secure the approval of the Montana Resolutions; provided, however, that if Montana makes any Montana

Board Recommendation Change, it shall remain obligated to solicit proxies, but shall no longer be obligated to recommend approval of the Montana Resolutions.

- (c) Montana shall give notice to Gale Force of the Montana Meeting and allow Gale Force's representatives and legal counsel to attend the Montana Meeting.
- (d) Montana shall advise Gale Force, as Gale Force may reasonably request, and at least on a daily basis on each of the last ten (10) Business Days prior to the date of the Montana Meeting, as to the aggregate tally of the proxies received by Montana in respect of the matters to be voted upon at the Montana Meeting.
- (e) As soon as practicable following the date of this Agreement, Montana shall convene a meeting of the Montana Board to approve the Montana Circular.
- (f) Montana shall not adjourn, postpone or cancel (or propose for adjournment, postponement or cancellation), or fail to call, the Montana Meeting without the prior written consent of Gale Force, (i) except as required for quorum purposes (in which case the Montana Meeting shall be adjourned and not cancelled) or by applicable Law or by a Governmental Authority or (ii) other than as directed by Gale Force in accordance with Section 3.3(d).
- (g) Montana shall promptly advise Gale Force of any material communication (written or oral) received by Montana from the TSXV, any of the Securities Authorities or any other Governmental Authority in connection with the Montana Meeting.

2.7 Montana Circular

- (a) Montana shall prepare the Montana Circular in compliance with Applicable Canadian Securities Laws and file the Montana Circular on a timely basis in all jurisdictions where it is required to be filed and mail it as required by applicable Laws.
- (b) Montana shall ensure that the Montana Circular complies in all material respects with all applicable Laws, and, without limiting the generality of the foregoing, that the Montana Circular shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made. The Montana Circular shall include the unanimous recommendation of the Montana Board that Montana Shareholders vote their Montana Shares in favour of approving the Montana Resolutions, and a statement that each director and senior officer of Montana intends to vote all of his Montana Shares in favour of approving the Montana Resolutions. Montana agrees that the content of the Montana Circular shall comply with the terms of this Agreement.
- (c) Gale Force and its legal counsel shall be given a reasonable opportunity to review and comment on the Montana Circular, prior to the Montana Circular being printed, mailed to Montana Shareholders and filed with the Securities Authorities, and reasonable and due consideration shall be given to any comments made by Gale Force and its counsel, provided that all information relating solely to Gale Force included in the Montana Circular, and any information describing the terms and conditions of this Agreement and/or the Plan of Arrangement, shall be in form and content satisfactory to Gale Force, acting reasonably. Montana shall provide Gale Force with a final copy of the Montana Circular prior to its mailing to the Montana Shareholders.

- (d) Each Party shall notify the other promptly if at any time before the Effective Date it becomes aware that the Montana Circular contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made, or otherwise requires an amendment or supplement to the Montana Circular, and the Parties shall co-operate in the preparation of any amendment or supplement to the Montana Circular, as required or appropriate, and Montana shall, if required by applicable Laws, promptly mail or otherwise publicly disseminate any amendment or supplement to the Montana Circular to Montana Shareholders and file the same with the Securities Authorities and as otherwise required.

2.8 Final Order

- (a) If (i) the Interim Order is obtained, (ii) the GFP Stated Capital Reduction Resolution is approved at the GFP Meeting by the holders of GFP Common Shares, as required by applicable Law, (iii) the Arrangement Resolution is approved at the GFP Meeting by the holders of GFP Common Shares and GFP Options in accordance with Sections 2.2(d)(i), 2.2(d)(ii) and 2.2(d)(iv), as provided for in the Interim Order and as required by applicable Law, and (iv) the Montana Resolutions are approved at the Montana Meeting, as required by applicable Law, Gale Force shall, subject to the terms of this Agreement, as soon as reasonably practicable thereafter and in any event within three (3) Business Days thereafter, take all steps necessary or desirable to secure a hearing date before the Court for the Final Order approving the Arrangement and diligently pursue an application for the Final Order pursuant to the CBCA.
- (b) Provided the conditions set forth in Section 2.8(a) are satisfied, prior to the hearing of the Final Order before the Court, the GFP Board shall implement the GFP Stated Capital Reduction Resolution such that the stated capital account maintained in respect of the GFP Common Shares shall be reduced without distribution to the holders of GFP Common Shares to an amount determined by the GFP Board to be required in order for Gale Force not be “insolvent” for the purposes of section 192 of the CBCA.

2.9 General

Each of Gale Force and Montana shall provide the other Party and its counsel with reasonable opportunity to review and comment upon drafts of all material to be filed by it with the Court, if any, or provided by it to GFP Securityholders or Montana Shareholders, as the case may be, in connection with the Arrangement and any supplement or amendment thereto, and will give reasonable and due consideration to all such comments. Gale Force shall provide counsel to Montana, on a timely basis, with copies of any notice of appearance and evidence served on Gale Force or its counsel in respect of the application for the Interim Order and the application for the Final Order or any appeal therefrom, and of any notice (written or oral) received by Gale Force indicating an intention to oppose the granting of the Interim Order or the Final Order or to appeal the Interim Order or the Final Order.

2.10 Effective Date

The Articles of Arrangement shall implement the Plan of Arrangement. No later than the fifth (5th) Business Day after the satisfaction or, where not prohibited and subject to applicable Law, the waiver of the conditions set forth in Article 5 by the applicable Party for whose benefit such conditions exist (excluding conditions that, by their terms, cannot be satisfied until the Effective Date, but subject to the satisfaction or, where not prohibited and subject to applicable Law, the waiver of those conditions as of the Effective Date by the applicable Party for whose benefit such conditions exist), unless another time or date is agreed to in writing by the Parties, the Articles of Arrangement shall be filed by Gale Force

with the Director. From and after the Effective Time, the Plan of Arrangement shall have all of the effects provided by applicable Law, including the CBCA. The closing of the transactions contemplated hereby shall take place at the offices of Bennett Jones LLP in Calgary, or at such other location as may be agreed upon by the Parties.

2.11 Payment of Consideration

Montana shall, following receipt of the Final Order and prior to the filing by Gale Force of the Articles of Arrangement with the Director, ensure that the Depositary has been provided with Montana Shares in order to pay the aggregate consideration payable pursuant to the Arrangement.

2.12 Announcement and Shareholder Communication

Gale Force and Montana shall jointly publicly announce the transactions contemplated hereby promptly following the execution of this Agreement by the Parties, the text and timing of each such announcement to be approved by Gale Force and Montana in advance, acting reasonably. Gale Force and Montana agree to co-operate in the preparation of presentations, if any, to the GFP Securityholders and Montana Shareholders regarding this Agreement or the Plan of Arrangement, and no Party shall (a) issue any press release or otherwise make public announcements with respect to this Agreement or the Plan of Arrangement without having provided the other Party with a reasonable advance opportunity to review and comment on such press release or announcement and without the consent of the other Party (which consent shall not be unreasonably delayed or withheld), (b) make any filing with any Governmental Entity with respect to this Agreement or the Plan of Arrangement without prior consultation with the other Party, or (c) issue any press release or otherwise make any public announcement updating or amending the reserve reports disclosed in the Montana Public Record or the GFP Public Record, as the case may be, prior to the date of this Agreement; provided, however, that the foregoing shall be subject to each Party's overriding obligation to make any disclosure or filing required under applicable Laws, provided that the Party making such disclosure shall use commercially reasonable efforts to give prior written notice to the other Party and provide the other Party reasonable opportunity to review and comment on the disclosure or filing, and if such prior notice is not possible, to give such written notice immediately following the making of such disclosure or filing.

2.13 Directors, Officers, Employees and Consultants

- (a) As at the Effective Time, no officers, employees or consultants of Gale Force shall be entitled to retention, change of control, termination or severance payments (or both), except as set forth in Section 2.13 of the GFP Disclosure Letter.
- (b) At the Effective Time, Montana shall enter into the employment or consulting agreements set forth in Section 2.13 of the GFP Disclosure Letter. Moreover, Montana reserves the right, at its sole discretion, to offer continued employment or consulting arrangements following the Effective Time to any other employees or consultants of Gale Force.
- (c) At the Effective Time, Montana shall cause Gale Force to pay the severance payments set forth in Section 2.13 of the GFP Disclosure Letter.
- (d) Each employee and officer of Gale Force who is not retained by Montana or Gale Force following the Arrangement shall be entitled to be paid at the Effective Time (on the condition such terminated employee or officer has executed a full and final release in a form satisfactory to Montana, acting reasonably) the applicable employee obligations and payments set forth in Section 2.13 of the GFP Disclosure Letter.

2.14 Indemnities, Directors' and Officers' Insurance

- (a) Montana agrees that, after the Effective Time, it shall cause Gale Force, its subsidiaries and any of their respective successors to honour all rights to expense reimbursement, indemnification or exculpation now existing in favour of past and present officers and directors of Gale Force and its subsidiaries pursuant to the provisions of their respective articles, by-laws or other constating documents, applicable corporate legislation and any written indemnity agreements (and each of them) which have been entered into between Gale Force or its subsidiaries and its past or current officers or directors effective on or prior to the date hereof.
- (b) Prior to the Effective Time, Gale Force shall be entitled to purchase run off directors' and officers' liability insurance for the benefit of its officers and directors, covering claims made prior to or within six years from the Effective Time, which has a scope and coverage no less advantageous in scope and coverage to that provided pursuant to Gale Force's current directors' and officers' insurance policy and Montana agrees to not take or permit any action to be taken by or on behalf of Gale Force to terminate or adversely affect such directors' and officers' insurance.
- (c) If Gale Force or, following the Effective Time, Montana or any of its successors or assigns shall (i) amalgamate, consolidate with or merge or wind-up into any other person and, if applicable, shall not be the continuing or surviving corporation or entity; or (ii) transfer all or substantially all of its properties and assets to any person or persons, then, and in each such case, proper provisions shall be made so that the successors, assigns and transferees of Gale Force or Montana, as the case may be, shall assume all of the obligations set forth in this Section 2.14.
- (d) The provisions of this Section 2.14 shall survive the consummation of the transactions contemplated by this Agreement and the Plan of Arrangement and are intended for the benefit of, and shall be enforceable by, the directors and officers of Gale Force and its subsidiaries, and their respective heirs, executors, administrators and personal representatives, and shall be binding on Gale Force and its subsidiaries and their respective successors and assigns, and, for this purpose only, Gale Force hereby confirms that it is acting as trustee on their behalf.

2.15 Tax Matters

- (a) The exchange of GFP Shares for Montana Shares shall be structured as a tax deferred share-for-share exchange pursuant to subsection 85.1(1) of the Tax Act.
- (b) The exchange of GFP Options for Montana Replacement Options shall be structured as a tax deferred option-for-option exchange pursuant to subsection 7(1.4) of the Tax Act.
- (c) Gale Force, Montana and the Depositary, as applicable, shall be entitled to deduct or withhold from the Montana Shares payable or otherwise deliverable to any GFP Securityholder, such amounts as Gale Force, Montana or the Depositary, as applicable, is required to deduct or withhold therefrom under the Tax Act or any provision of applicable Law in respect of Taxes. To the extent that amounts are so deducted or withheld, such deducted or withheld amounts shall be treated, for all purposes hereof, as having been paid to the person to whom such amounts would otherwise have been paid. Gale Force, Montana or the Depositary, as applicable, may sell or otherwise dispose of such other portion of the Montana Shares as is necessary to provide sufficient funds to Gale Force, Montana or the Depositary, as applicable, to enable it to comply with all deduction or withholding requirements applicable to it, and Gale Force, Montana and the Depositary, as applicable, shall notify the holder thereof and remit to the holder thereof any unapplied balance of the net proceeds of such sale.

2.16 GFP Debt Conversion

At the Effective Time, Montana shall assume and convert the GFP Debt into an aggregate of 3,533,688 Montana Shares at a price of \$0.10 per share (the “**GFP Debt Conversion**”).

ARTICLE 3 COVENANTS

3.1 Covenants of Montana

From the date hereof until the earlier of the completion of the Arrangement or the termination of this Agreement in accordance with Article 8, except with the prior written consent of Gale Force (such consent not to be unreasonably withheld or delayed), and except as otherwise expressly permitted or specifically contemplated by this Agreement or as otherwise required by applicable Laws:

- (a) Montana shall, and shall cause each of its subsidiaries to, conduct its business in the usual and ordinary course of business consistent with past practice (for greater certainty, where it is an operator of any oil or natural gas property, it shall operate and maintain such property in a proper and prudent manner in accordance with good industry practice and the agreements governing the ownership and operation of such property) and it shall use commercially reasonable efforts to maintain and preserve its business, assets and advantageous business relationships;
- (b) Montana shall not, nor shall it permit any of its subsidiaries to, directly or indirectly: (i) amend its constituting documents; (ii) declare, set aside or pay any dividend or other distribution or make any other payment (whether in cash, shares or property) in respect of its outstanding shares; (iii) other than as set out on Section 3.1(b) of the Montana Disclosure Letter, issue, grant, sell or pledge or agree to issue, grant, sell or pledge any securities, including securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, Montana Shares or shares of a Montana subsidiary, as applicable; (iv) redeem, purchase or otherwise acquire any of its outstanding shares or other securities; (v) split, combine or reclassify any of its securities; (vi) adopt a plan of liquidation or resolutions providing for its liquidation, dissolution, merger, consolidation or reorganization; (vii) pursue, complete or agree to complete any corporate acquisition or disposition, amalgamation, merger, arrangement or purchase or sale of assets or make any material change to the business, capital or affairs of Montana and its subsidiaries (on a consolidated basis); (viii) reduce the stated capital of any of its outstanding shares; (ix) pay, discharge or satisfy any material claims, liabilities or obligations, other than in the ordinary course of business consistent with past practice; (x) surrender, release or abandon the whole or any part of its assets (excluding oil and natural gas leases that expire in the ordinary course); (xi) take any action, refrain from taking any action or permit any action to be taken or not taken that is inconsistent with this Agreement, which might, directly or indirectly, impede, interfere with, prevent or materially delay the consummation of the Arrangement; or (xii) enter into or modify any contract, agreement, commitment or arrangement with respect to any of the foregoing;
- (c) Other than as disclosed in Section 3.1(c) of the Montana Disclosure Letter, Montana shall not, nor shall it permit any of its subsidiaries to, directly or indirectly, except for expenditures considered necessary by Montana, acting reasonably, to preserve or protect the health or safety of individuals or to preserve or protect property or the environment: (i) sell, pledge, hypothecate, lease, license, sell and lease back, mortgage, dispose of or encumber any assets having a value in excess of \$25,000, except production in the ordinary course of business; (ii) expend or commit to expend any amount with respect to any capital expenditure in an amount in excess of \$50,000, except for amounts referred to in the Montana Disclosure Letter; (iii) expend or commit to expend any

amount in excess of \$50,000 with respect to operating expenses, other than operating expenses incurred in the ordinary course of business; (iv) acquire or agree to acquire (by merger, amalgamation, consolidation or acquisition of shares or assets or otherwise) any corporation, partnership, trust or other business organization or division thereof that is not a subsidiary or affiliate of Montana as of the date hereof, or make any investment therein either by purchase of shares or securities, contributions of capital or property transfer; (v) acquire any asset having an acquisition cost in excess of \$50,000; (vi) incur or commit to incur any indebtedness for borrowed money in excess of \$50,000, or any other material liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise become responsible for, the obligations of any other individual or entity, or make any loans or advances, other than in respect of fees payable to legal, financial and other advisors in respect of the transactions contemplated by this Agreement or otherwise in the ordinary course of business; (vii) authorize, recommend or propose any release or relinquishment of any material contract right; (viii) waive, release, grant or transfer any material rights of value or modify or change in any material respect any existing material license, lease, contract, production sharing agreement, government land concession or other material document; (ix) enter into or terminate any hedges, swaps or other financial instruments or like transactions; (x) enter into commitments of a capital expenditure nature, including Crown lease purchases and freehold lease acquisitions, involving an expenditure in excess of \$50,000; (xi) enter into any non-arm's length transactions including with any officers, directors, employees or consultants of Montana or any of its subsidiaries or transfer any property or assets of Montana or any of its subsidiaries to any directors, officers, employees or consultants thereof; (xii) reimburse or approve or authorize the reimbursement of any expenses (other than those incurred in the ordinary course of business consistent with past practices) of any officer, employee or consultant of Montana or any of its subsidiaries; (xiii) pay, discharge or satisfy any material claims, liabilities or obligations other than as reflected or reserved against in the Montana Financial Statements or otherwise in the ordinary course of business; (xiv) enter into any agreements for the sale of production having a term of more than thirty (30) days; (xv) enter into any consulting or contract operating agreement that cannot be terminated on thirty (30) days or less notice without penalty; or (xvi) authorize or propose any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing;

- (d) Montana shall not, nor shall it permit any of its subsidiaries to, make any payment to any employee, officer, director or consultant outside of their ordinary and usual compensation for services provided;
- (e) without limiting the provisions of Section 2.12, Montana shall promptly provide to Gale Force, for review by Gale Force and its counsel, prior to filing or issuance of the same, any proposed public disclosure document, including any news release or material change report, subject to Montana's obligations under Applicable Canadian Securities Laws to make continuous disclosure and timely disclosure of material information, and Gale Force agrees to keep such information confidential until it is filed as part of the Montana Public Record;
- (f) except as described in the Montana Disclosure Letter, Montana shall not, nor shall it permit any of its subsidiaries to, adopt or amend or make any contribution to any bonus, employee benefit plan, profit sharing, deferred compensation, insurance, incentive compensation, other compensation or other similar plan, agreement, stock option plan, fund or arrangement for the benefit of employees, except as is necessary to comply with applicable Laws or the existing provisions of any such plans, programs, arrangements or agreements;
- (g) except as described in the Montana Disclosure Letter, Montana shall not, nor shall it permit any of its subsidiaries to: (i) grant any officer, director, employee or consultant an increase in

compensation in any form; (ii) grant any general salary increase; (iii) take any action with respect to the amendment of any severance, retention, change of control or termination pay policies or arrangements for any directors, officers or employees; (iv) adopt or amend any stock option plan or the terms of any outstanding options or rights thereunder; or (v) advance any loan to any officer, director, employee, consultant or any other party not at arm's length;

- (h) Montana shall use commercially reasonable efforts to cause the current insurance (or re-insurance) policies of Montana and each of its subsidiaries not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance or re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect and shall pay all premiums in respect of such insurance policies that become due prior to the Effective Date and Montana shall consult with Gale Force with respect to all such matters prior to taking any action in respect thereof;
- (i) Montana shall not, nor shall it permit any of its subsidiaries to, take any action that would render, or may reasonably be expected to render, any representation or warranty made by Montana in this Agreement untrue in any materially adverse respect at any time prior to completion of the Arrangement or termination of this Agreement, whichever first occurs;
- (j) Montana shall promptly notify Gale Force in writing of any material change (actual, anticipated, contemplated or, to the knowledge of Montana threatened, whether financial or otherwise) in its business, operations, affairs, assets, capitalization, financial condition, licenses, permits, rights, privileges or liabilities, whether contractual or otherwise, or of any change affecting any representation or warranty provided by Montana in this Agreement where such change is or may be of such a nature to render any representation or warranty misleading or untrue in any material respect and Montana shall in good faith discuss with Gale Force any change in circumstances (actual, anticipated, contemplated, or to the knowledge of Montana threatened) which is of such a nature that there may be a reasonable question as to whether notice need to be given to Gale Force pursuant to this Section 3.1(j);
- (k) Montana shall use commercially reasonable efforts to obtain all necessary consents, assignments, waivers and amendments to, or terminations of, any instruments or other documents to which it is a party, or by which it is bound, that may be necessary to permit it to carry out the transactions contemplated by this Agreement and to take such other steps and actions as may be necessary or appropriate to fulfill its obligations hereunder and shall provide a copy of each such consent to Gale Force on or prior to the Effective Date;
- (l) Montana shall use commercially reasonable efforts to continue to maintain its status as a "reporting issuer" (or similarly designated entity) not in default under Applicable Canadian Securities Laws in the provinces of Canada where it is a reporting issuer at the date of this Agreement;
- (m) Montana shall use commercially reasonable efforts to maintain the listing of the Montana Shares on the TSXV;
- (n) Montana shall apply to the TSXV for conditional approval of the listing of the Montana Shares issuable pursuant to the Arrangement, the Montana Debt Conversion and the GFP Debt Conversion and upon the exercise of the Montana Replacement Options, on the TSXV and shall

use commercially reasonable efforts to obtain such conditional approval prior to the GFP Mailing Date;

- (o) Montana shall use commercially reasonable efforts, in conjunction with Gale Force, to secure all consents of third parties that are required to permit the inclusion of any reference to their names in the GFP Circular or the Montana Circular, as the case may be, including by reason of their name being included in a document incorporated by reference in the GFP Circular or the Montana Circular, as the case may be, or otherwise, and shall provide copies of such consents to Gale Force as soon as reasonably practicable;
- (p) Montana shall indemnify and save harmless Gale Force, its subsidiaries and their respective directors, officers and agents from and against any and all liabilities, claims, demands, losses, costs, damages and expenses (excluding any loss of profits) to which Gale Force, its subsidiaries or any of their respective directors, officers or agents may be subject or which Gale Force, its subsidiaries or any of their respective directors, officers or agents, may suffer or incur, whether under the provisions of any statute or otherwise, in any way caused by, or arising, directly or indirectly, from or in consequence of:
 - (i) any misrepresentation or alleged misrepresentation by Montana in the GFP Circular or in the Montana Public Record;
 - (ii) any order made or any inquiry, investigation or proceeding by any securities commission or other competent authority based upon any untrue statement or omission or alleged untrue statement or omission of a material fact or any misrepresentation or any alleged misrepresentation in the Montana Public Record; or
 - (iii) Montana not complying with any requirement of applicable Laws in connection with the transactions contemplated in this Agreement;
- (q) except for proxies and non-substantive communications with the holders of Montana securities, Montana shall furnish promptly to Gale Force, or Gale Force's counsel, a copy of each notice, report, schedule or other document delivered, filed or received by Montana from holders of Montana securities or regulatory agencies in connection with: (i) the Arrangement; (ii) the Montana Meeting; (iii) any filings under applicable Laws in connection with the transactions contemplated by this Agreement; and (iv) any dealings with stock exchanges, Securities Authorities or regulatory agencies in connection with the transactions contemplated by this Agreement;
- (r) Montana shall, and shall cause each of its subsidiaries to, use commercially reasonable efforts to preserve intact its business organization, assets, properties and goodwill and maintain satisfactory relationships with suppliers, distributors, customers and others having business relationships with it;
- (s) Montana shall make all filings and applications under applicable Laws, including Applicable Canadian Securities Laws and applicable U.S. securities Laws, and take all actions that are required to be made or taken by it in connection with the Arrangement and in order to implement the matters approved by the Montana Resolutions, and shall take all reasonable commercial action necessary to be in compliance, in all material respects, with such applicable Laws;
- (t) Montana shall, and shall cause each of its subsidiaries to, withhold from each payment to be made to all persons all amounts that are required to be so withheld by any applicable Laws and

Montana shall remit such withheld amounts to the proper Governmental Authority within the times prescribed by such applicable Laws;

- (u) Montana shall, and shall cause each of its subsidiaries to: (i) duly and on a timely basis file all Returns required to be filed by it on or after the date hereof (including, without limitation, all applicable Returns for its most recent financial year end) and all such Returns will be true, complete and correct in all material respects; (ii) timely pay all Taxes which are due and payable unless validly contested; (iii) not make or rescind any material express or deemed election relating to Taxes, or file any amended Returns; (iv) not make a request for a Tax ruling or enter into a closing agreement with any Governmental Authority; (v) not settle or compromise any claim, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy relating to Taxes; (vi) not change in any material respect any of its methods of reporting income, deductions or accounting for Tax purposes from those employed in the preparation of its Return for a taxation year ending in 2014 and prior to the date hereof; and (vii) properly reserve (and reflect such reserves in its books and records and financial statements) in accordance with past practice and in the ordinary course of business, for all Taxes accruing in respect of Montana which are not due or payable prior to the Effective Date;
- (v) Montana shall not, and shall cause each of its subsidiaries not to, directly or indirectly reduce the amount or amend the characterization of any of its individual categories of Tax attributes, including, without limitation, any of its resource pools or non-capital loss carryforwards;
- (w) Montana shall not and shall cause each of its subsidiaries not to, make any Tax filings outside the ordinary course of business, including making, amending or rescinding any Return, election or designation, without the consent of Gale Force, such consent not to be unreasonably withheld;
- (x) Montana shall use commercially reasonable efforts to satisfy or cause the satisfaction of the conditions set out in Sections 5.1 and 5.3 as soon as reasonably practicable following execution of this Agreement to the extent that the satisfaction of the same is within the control of Montana; and
- (y) Montana shall take all commercially reasonable actions to give effect to the transactions contemplated by this Agreement, including the consummation of the Montana Debt Conversion and the GFP Debt Conversion.

3.2 Covenants of Gale Force

From the date hereof until the earlier of the completion of the Arrangement or the termination of this Agreement in accordance with Article 8, except with the prior written consent of Montana (such consent not to be unreasonably withheld or delayed), and except as otherwise expressly permitted or specifically contemplated by this Agreement or as otherwise required by applicable Laws:

- (a) Gale Force shall, and shall cause each of its subsidiaries to, conduct its business in the usual and ordinary course of business consistent with past practice (for greater certainty, where it is an operator of any oil or natural gas property, it shall operate and maintain such property in a proper and prudent manner in accordance with good industry practice and the agreements governing the ownership and operation of such property) and it shall use commercially reasonable efforts to maintain and preserve its business, assets and advantageous business relationships;
- (b) Gale Force shall not, nor shall it permit any of its subsidiaries to, directly or indirectly: (i) amend its constating documents; (ii) declare, set aside or pay any dividend or other distribution or make

any other payment (whether in cash, shares or property) in respect of the GFP Shares; (iii) issue, grant, sell or pledge or agree to issue, grant, sell or pledge any securities, including securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, GFP Shares or shares of a Gale Force subsidiary, as applicable (other than pursuant to the terms of any issued and outstanding GFP Shares or the exercise of GFP Options); (iv) redeem, purchase or otherwise acquire any of its outstanding shares or other securities; (v) split, combine or reclassify any of its securities; (vi) adopt a plan of liquidation or resolutions providing for its liquidation, dissolution, merger, consolidation or reorganization; (vii) pursue, complete or agree to complete any corporate acquisition or disposition, amalgamation, merger, arrangement or purchase or sale of assets or make any material change to its business, capital or affairs; (viii) reduce the stated capital of any of its outstanding shares other than to satisfy the solvency requirements of Section 192 of the CBCA in order to complete the Arrangement; (ix) pay, discharge or satisfy any material claims, liabilities or obligations, other than in the ordinary course of business consistent with past practice; (x) surrender, release or abandon the whole or any part of its assets (excluding oil and natural gas leases that expire in the ordinary course); (xi) terminate any employees, except as contemplated by this Agreement; (xii) take any action, refrain from taking any action or permit any action to be taken or not taken that is inconsistent with this Agreement, which might, directly or indirectly, impede, interfere with, prevent or materially delay the consummation of the Arrangement; or (xiii) enter into or modify any contract, agreement, commitment or arrangement with respect to any of the foregoing;

- (c) Gale Force shall not, nor shall it permit any of its subsidiaries to, directly or indirectly, except for expenditures considered necessary by Gale Force, acting reasonably, to preserve or protect the health or safety of individuals or to preserve or protect property or the environment: (i) sell, pledge, hypothecate, lease, license, sell and lease back, mortgage, dispose of or encumber any assets having a value in excess of \$25,000, except production in the ordinary course of business; (ii) expend or commit to expend any amount with respect to any capital expenditure in an amount in excess of \$50,000, except for amounts referred to in the GFP Disclosure Letter; (iii) expend or commit to expend any amount in excess of \$50,000 with respect to operating expenses, other than operating expenses incurred in the ordinary course of business; (iv) acquire or agree to acquire (by merger, amalgamation, consolidation or acquisition of shares or assets or otherwise) any corporation, partnership, trust or other business organization or division thereof that is not a subsidiary or affiliate of Gale Force as of the date hereof, or make any investment therein either by purchase of shares or securities, contributions of capital or property transfer; (v) acquire any asset having an acquisition cost in excess of \$50,000; (vi) incur or commit to incur any indebtedness for borrowed money in excess of \$50,000, or any other material liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise become responsible for, the obligations of any other individual or entity, or make any loans or advances, other than in respect of fees payable to legal, financial and other advisors in respect of the transactions contemplated by this Agreement or otherwise in the ordinary course of business; (vii) authorize, recommend or propose any release or relinquishment of any material contract right; (viii) waive, release, grant or transfer any material rights of value or modify or change in any material respect any existing material license, lease, contract, production sharing agreement, government land concession or other material document; (ix) enter into or terminate any hedges, swaps or other financial instruments or like transactions; (x) enter into commitments of a capital expenditure nature, including Crown lease purchases and freehold lease acquisitions, involving an expenditure in excess of \$50,000; (xi) enter into any non-arm's length transactions including with any officers, directors, employees or consultants of Gale Force or any of its subsidiaries or transfer any property or assets of Gale Force or any of its subsidiaries to any directors, officers, employees or consultants thereof; (xii) reimburse or approve or authorize the reimbursement of any expenses (other than those incurred in the ordinary course of business consistent with past

practices) of any officer, employee or consultant of Gale Force or any of its subsidiaries; (xiii) pay, discharge or satisfy any material claims, liabilities or obligations other than as reflected or reserved against in the GFP Financial Statements or otherwise in the ordinary course of business; (xiv) enter into any agreements for the sale of production having a term of more than thirty (30) days; (xv) enter into any consulting or contract operating agreement that cannot be terminated on thirty (30) days or less notice without penalty; or (xvi) authorize or propose any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing;

- (d) Gale Force shall not, nor shall it permit any of its subsidiaries, to make any payment to any employee, officer, director or consultant outside of their ordinary and usual compensation for services provided, other than as contemplated by Section 2.13;
- (e) without limiting the provisions of Section 2.12, Gale Force will promptly provide to Montana, for review by Montana and its counsel, prior to filing or issuance of the same, any proposed public disclosure document, including without limitation, any news release or material change report, subject to Gale Force's obligations under Applicable Canadian Securities Laws to make continuous disclosure and timely disclosure of material information, and Montana agrees to keep such information confidential until it is filed as part of the GFP Public Record;
- (f) Gale Force shall not, nor shall it permit any of its subsidiaries to, adopt or amend or make any contribution to any bonus, employee benefit plan, profit sharing, deferred compensation, insurance, incentive compensation, other compensation or other similar plan, agreement, stock option plan, fund or arrangement for the benefit of employees, except as is necessary to comply with applicable Laws or the existing provisions of any such plans, programs, arrangements or agreements;
- (g) Gale Force shall not, nor shall it permit any of its subsidiaries to: (i) grant any officer, director, employee or consultant an increase in compensation in any form; (ii) grant any general salary increase; (iii) take any action with respect to the amendment of any severance, retention, change of control or termination pay policies or arrangements for any directors, officers or employees; (iv) adopt or amend any stock option plan or the terms of any outstanding options or rights thereunder; nor (v) advance any loan to any officer, director, employee, consultant or any other party not at arm's length;
- (h) Gale Force shall, and shall cause each of its subsidiaries to, use commercially reasonable efforts to cause its current insurance (or re-insurance) policies not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance or re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect and shall pay all premiums in respect of such insurance policies that become due prior to the Effective Date and Gale Force shall consult with Montana with respect to all such matters prior to taking any action in respect thereof;
- (i) Gale Force shall not, nor shall it permit any of its subsidiaries to, take any action that would render, or may reasonably be expected to render, any representation or warranty made by Gale Force in this Agreement untrue in any materially adverse respect at any time prior to completion of the Arrangement or termination of this Agreement, whichever first occurs;

- (j) Gale Force shall promptly notify Montana in writing of any material change (actual, anticipated, contemplated or, to the knowledge of Gale Force threatened, whether financial or otherwise) in the business, operations, affairs, assets, capitalization, financial condition, licenses, permits, rights, privileges or liabilities of Gale Force or any of its subsidiaries, whether contractual or otherwise, or of any change affecting any representation or warranty provided by Gale Force in this Agreement where such change is or may be of such a nature to render any representation or warranty misleading or untrue in any material respect and Gale Force shall in good faith discuss with Montana any change in circumstances (actual, anticipated, contemplated, or to the knowledge of Gale Force threatened) which is of such a nature that there may be a reasonable question as to whether notice need to be given to Montana pursuant to this Section 3.2(j);
- (k) Gale Force shall use commercially reasonable efforts to obtain all necessary consents, assignments, waivers and amendments to, or terminations of, any instruments or other documents to which it is a party, or by which it is bound, that may be necessary to permit it to carry out the transactions contemplated by this Agreement and to take such other steps and actions as may be necessary or appropriate to fulfill its obligations hereunder and shall provide a copy of each such consent to Montana on or prior to the Effective Date;
- (l) Gale Force shall use commercially reasonable efforts to continue to maintain its status as a “reporting issuer” (or similarly designated entity) not in default under the securities legislation in force in all provinces of Canada where it is a reporting issuer at the date of this Agreement;
- (m) Gale Force shall use commercially reasonable efforts to maintain the listing of the GFP Common Shares on the TSXV;
- (n) Gale Force shall use commercially reasonable efforts, in conjunction with Montana, to secure all consents of third parties that are required to permit the inclusion of any reference to their names in the Montana Circular or the GFP Circular, as the case may be, including by reason of their name being included in a document incorporated by reference in the Montana Circular or the GFP Circular, as the case may be, or otherwise, and will provide copies of such consents to Montana as soon as reasonably practicable;
- (o) Gale Force shall indemnify and save harmless Montana, its subsidiaries and each of their respective directors, officers and agents from and against any and all liabilities, claims, demands, losses, costs, damages and expenses (excluding any loss of profits) to which Montana, its subsidiaries or any of their respective directors, officers or agents may be subject or which Montana, its subsidiaries or any of their respective directors, officers or agents, may suffer or incur, whether under the provisions of any statute or otherwise, in any way caused by, or arising, directly or indirectly, from or in consequence of:
 - (i) any misrepresentation or alleged misrepresentation by Gale Force in the GFP Public Record;
 - (ii) any order made or any inquiry, investigation or proceeding by any Securities Authorities or other competent authority based upon any untrue statement or omission or alleged untrue statement or omission of a material fact or any misrepresentation or any alleged misrepresentation in the GFP Public Record; or
 - (iii) Gale Force not complying with any requirement of applicable Laws in connection with the transactions contemplated in this Agreement;

- (p) except for proxies and non-substantive communications with the holders of Gale Force securities, Gale Force shall furnish promptly to Montana, or Montana's counsel, a copy of each notice, report, schedule or other document delivered, filed or received by Gale Force from holders of Gale Force securities or regulatory agencies in connection with: (i) the Arrangement; (ii) the GFP Meeting; (iii) any filings under applicable Laws in connection with the transactions contemplated by this Agreement; and (iv) any dealings with stock exchanges or regulatory agencies in connection with the transactions contemplated by this Agreement;
- (q) Gale Force shall, and shall cause each of its subsidiaries to, use commercially reasonable efforts to preserve intact its business organization, assets, properties and goodwill and maintain satisfactory relationships with suppliers, distributors, customers and others having business relationships with it;
- (r) Gale Force shall make all filings and applications under applicable Laws, including Applicable Canadian Securities Laws and applicable U.S. securities Laws, and take all actions that are required to be made or taken by it in connection with the Arrangement and in order to implement the matters approved by the GFP Resolutions, and shall take all reasonable commercial action necessary to be in compliance, in all material respects, with such applicable Laws;
- (s) Gale Force shall, and shall cause each of its subsidiaries to, withhold from each payment to be made to all persons all amounts that are required to be so withheld by any applicable Laws and Gale Force shall, and shall cause each of its subsidiaries to, remit such withheld amounts to the proper Governmental Authority within the times prescribed by such applicable Laws;
- (t) Gale Force shall, and shall cause each of its subsidiaries to: (i) duly and on a timely basis file all Returns required to be filed by it on or after the date hereof (including, without limitation, all applicable Returns for its most recent financial year end) and all such Returns will be true, complete and correct in all material respects; (ii) timely pay all Taxes which are due and payable unless validly contested; (iii) not make or rescind any material express or deemed election relating to Taxes, or file any amended Returns; (iv) not make a request for a Tax ruling or enter into a closing agreement with any Governmental Authority; (v) not settle or compromise any claim, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy relating to Taxes; (vi) not change in any material respect any of its methods of reporting income, deductions or accounting for Tax purposes from those employed in the preparation of its Return for a taxation year ending in 2014 and prior to the date hereof; and (vii) properly reserve (and reflect such reserves in its books and records and financial statements) in accordance with past practice and in the ordinary course of business, for all Taxes accruing in respect of Gale Force which are not due or payable prior to the Effective Date;
- (u) Gale Force shall not, nor shall it permit any of its subsidiaries to, directly or indirectly reduce the amount or amend the characterization of any of its individual categories of Tax attributes, including, without limitation, any of its resource pools or non-capital loss carryforwards;
- (v) Gale Force shall not, nor shall it permit any of its subsidiaries to, make any Tax filings outside the ordinary course of business, including making, amending or rescinding any Return, election or designation, without the consent of Montana, such consent not to be unreasonably withheld;
- (w) Gale Force shall use commercially reasonable efforts to satisfy or cause the satisfaction of the conditions set out in Sections 5.1 and 5.2 as soon as reasonably practicable following execution of this Agreement to the extent that the satisfaction of the same is within the control of Gale Force; and

- (x) Gale Force shall take all commercially reasonable actions to give effect to the transactions contemplated by this Agreement.

3.3 Covenants Regarding Non-Solicitation

- (a) Except as otherwise expressly provided in this Section 3.3, each Party shall immediately cease and cause to be terminated all existing discussions or negotiations (including, without limitation, through any of its officers, directors, employees, advisors, representatives and agents or any of its subsidiaries or their respective officers, directors, employees, advisors, representatives and agents (collectively, the “**Representatives**”)), if any, with any third parties initiated before the date of this Agreement with respect to any Acquisition Proposal. As and from the date hereof until termination of this Agreement pursuant to Article 8, except as expressly provided in this Section 3.3, each Party shall discontinue providing access to any of its confidential information and not allow or establish further access to any of its confidential information, or any data room, virtual or otherwise, and shall (pursuant to and in accordance with each applicable confidentiality agreement and upon written request of the other Party) promptly request the return or destruction of all information provided to any third parties that have entered into a confidentiality agreement with such Party relating to an Acquisition Proposal in accordance with the terms of such confidentiality agreement, and shall use reasonable commercial efforts to cause such requests to be honoured.
- (b) Each Party shall not, directly or indirectly, do, or authorize or permit any of its Representatives to do, any of the following:
 - (i) solicit, assist or knowingly facilitate, initiate or encourage or take any action to solicit or knowingly facilitate, initiate, entertain or encourage any Acquisition Proposal, or engage in any communication regarding the making of any proposal or offer that constitutes or may constitute or may reasonably be expected to lead to an Acquisition Proposal, including by way of furnishing information;
 - (ii) withdraw or modify, or propose to withdraw or modify, in any manner adverse to the other Party, the approval of the Arrangement by the GFP Board or the Montana Board, as applicable, the recommendation of the GFP Board that the applicable GFP Securityholders vote in favour of the GFP Resolutions at the GFP Meeting, or the recommendation of the Montana Board that the Montana Shareholders vote in favour of the Montana Resolutions at the Montana Meeting;
 - (iii) enter into or participate in any negotiations or any discussions regarding an Acquisition Proposal, or furnish or provide access to any information with respect to its securities, business, properties, operations or conditions (financial or otherwise) in connection with or in furtherance of an Acquisition Proposal, or otherwise cooperate in any way with, or assist or knowingly participate in, facilitate or encourage, any effort or attempt of any other person to do or seek to do any of the foregoing;
 - (iv) release, waive, or otherwise forbear in the enforcement of, or enter into or participate in any discussions, negotiations or agreements to release, waive or otherwise forbear in respect of, any rights or other benefits under any confidentiality agreements, including, without limitation, any “standstill provisions” thereunder; or
 - (v) accept, recommend, approve, agree to, endorse or propose publicly to accept, recommend, approve, agree to or endorse any Acquisition Proposal;

provided, however, that notwithstanding any other provision hereof, each of Gale Force and Montana and its respective Representatives may at any time following the date of this Agreement and prior to the Effective Time:

- (vi) provided such Party is in compliance with all of its obligations under this Agreement (including, without limitation, under Sections 3.3(a) and (b)), enter into, participate, facilitate and undertake discussions or negotiations with a third party who seeks to initiate such discussions or negotiations and, subject to execution of a confidentiality agreement substantially similar to the Confidentiality Agreement (provided that such confidentiality agreement shall provide for the disclosure thereof, along with the information provided thereunder, to the other Party, as set forth in this Section 3.3), may furnish to such third party information concerning Gale Force or Montana, as applicable, and its business, affairs, properties and assets, in each case if, and only to the extent that:
 - (A) the third party has first made an unsolicited written *bona fide* Acquisition Proposal which the GFP Board or the Montana Board, as the case may be, determines in good faith after consultation with its outside legal and financial advisors, constitutes or, if consummated in accordance with its terms (but not assuming any risk of non-completion), would reasonably be expected to be a Superior Proposal; and
 - (B) prior to furnishing such information to or entering into or participating in any such negotiations or initiating any discussions with such third party, Gale Force or Montana, as applicable, provides prompt notice to the other Party to the effect that it is furnishing information to or entering into or participating in discussions or negotiations with such person and provides to the other Party the information required to be provided under Section 3.3(c); and
- (vii) make a GFP Board Recommendation Change or a Montana Board Recommendation Change (each, an “**Adverse Recommendation Change**”), following receipt of an Acquisition Proposal that it determines to be a Superior Proposal, but only if prior to such Adverse Recommendation Change, (A) the GFP Board or the Montana Board, as applicable, shall have concluded in good faith, after consultation with its outside legal advisors, that the failure to take such action would be inconsistent with its fiduciary duties under applicable Laws, (B) Gale Force or Montana, as applicable, complies with its obligations set out in Section 3.3(d), and (C) Gale Force or Montana, as applicable, terminates this Agreement in accordance with Section 8.1(b)(iv)(B) or Section 8.1(b)(iii)(B), as applicable, and pays the amount required by Section 6.2 in accordance with the provisions of Section 6.5.
- (c) Each of Gale Force or Montana, as the case may be, shall promptly (and in any event within twenty-four (24) hours of receipt by it) notify the other Party (at first orally and then in writing) of any Acquisition Proposal (or any amendment thereto) or any request for non-public information relating to Gale Force or Montana, as applicable, and the assets of Gale Force or Montana, as applicable, or any amendments to the foregoing received by Gale Force or Montana, as applicable. Such notice shall include a copy of the Acquisition Proposal (and any amendment thereto) received by Gale Force or Montana, as applicable, and a description of the material terms and conditions of, and the identity of the person making any inquiry, proposal, offer or request (to the extent then known by Gale Force or Montana, as the case may be). Each of Gale Force and Montana shall keep the other Party fully informed of the status, including any change to material terms, of any Acquisition Proposal or any amendment thereto, shall respond promptly to all

reasonable inquiries by the other Party with respect thereto, and shall provide to the other Party copies of all material correspondence and other written material sent to or provided to Gale Force or Montana, as applicable, by any person in connection with such inquiry, proposal, offer or request or sent or provided by Gale Force or Montana, as applicable, to any person in connection with such inquiry, proposal, offer or request.

- (d) Following receipt of a Superior Proposal, each of Gale Force or Montana, as the case may be, shall give the other Party, orally and in writing, at least seventy-two (72) hours advance notice of any decision by the GFP Board or the Montana Board, as applicable, to accept, recommend, endorse, approve or enter into an agreement, understanding or arrangement in respect of a Superior Proposal (other than a confidentiality agreement permitted by Section 3.3(b)(vi)) or make an Adverse Recommendation Change, which notice shall confirm that the GFP Board or the Montana Board, as the case may be, has determined that such Acquisition Proposal constitutes a Superior Proposal, shall identify the third party making the Superior Proposal and shall provide a true and complete copy thereof and any amendments thereto. During the seventy-two (72) hour period commencing on the delivery of such notice, each of Gale Force and Montana, as the case may be, agrees not to accept, recommend, endorse, approve or enter into any agreement, understanding or arrangement in respect of a Superior Proposal (other than a confidentiality agreement permitted by Section 3.3(b)(vi)) or make an Adverse Recommendation Change and not to release the party making the Superior Proposal from any standstill provisions (which, for greater certainty, shall not prevent the party making the Superior Proposal from making any Acquisition Proposal to the GFP Board or the Montana Board, as applicable, that is not solicited, initiated, encouraged or knowingly facilitated by Gale Force or the Montana Board, as the case may be) and shall not make an Adverse Recommendation Change in respect of the Arrangement. In addition, during such seventy-two (72) hour period, each of Gale Force and Montana, as the case may be, shall, and shall cause its financial and legal advisors to, negotiate in good faith with the other Party and its financial and legal advisors to make such adjustments in the terms and conditions of this Agreement and the Arrangement as would enable Gale Force or Montana, as applicable, to proceed with the Arrangement, as amended, rather than the Superior Proposal. In the event Montana or Gale Force, as the case may be, confirms in writing its commitment to amend this Agreement on a basis such that the GFP Board or the Montana Board, as applicable, determines that the proposed Acquisition Proposal is no longer a Superior Proposal and so advises the GFP Board or Montana Board, as applicable, prior to the expiry of such seventy-two (72) hour period, the GFP Board or the Montana Board, as the case may be, shall not make an Adverse Recommendation Change or accept, recommend, approve or enter into any agreement to implement such Superior Proposal and shall not release the party making the Superior Proposal from any standstill provisions (which, for greater certainty, shall not prevent the party making the Superior Proposal from making any Acquisition Proposal to the GFP Board or the Montana Board, as applicable, that is not solicited, initiated, encouraged or knowingly facilitated by Gale Force or Montana, as applicable) and shall not make an Adverse Recommendation Change. Notwithstanding the foregoing, nothing contained in this Agreement shall prohibit Gale Force or Montana, as the case may be, from negotiating or making any changes to this Agreement in the event that Gale Force or Montana, as applicable, is in receipt of a Superior Proposal. Each of Gale Force and Montana acknowledges that each successive material modification of any Superior Proposal shall constitute a new Superior Proposal for purposes of the requirement under this Section 3.3(d) to initiate a new seventy-two (72) hour notice period.

In the event that Gale Force or Montana provides the notice contemplated by this Section 3.3(d) on a date which is less than seventy-two (72) hours prior to the GFP Meeting or the Montana Meeting, as applicable, Montana or Gale Force, as applicable shall be entitled to require the other

Party to adjourn or postpone the GFP Meeting or the Montana Meeting, as applicable, to a date which is not more than ten (10) Business Days after the date of such notice.

- (e) Each of the GFP Board and the Montana Board, as applicable, shall reaffirm its recommendation of the Arrangement by news release promptly, and in any event within three (3) Business Days of being requested to do so by the other Party, in the event that (i) any Acquisition Proposal that is publicly announced is determined not to be a Superior Proposal; or (ii) the Parties have entered into an amended agreement pursuant to Section 3.3(d) that results in any Acquisition Proposal not being a Superior Proposal.
- (f) Each of Gale Force and Montana agrees that all information that may be provided to it by the other Party with respect to any Superior Proposal pursuant to this Section 3.3 shall be treated as if it were “Confidential Information” as that term is defined in the Confidentiality Agreement and such information shall not be disclosed or used except in accordance with the Confidentiality Agreement or in order to enforce its rights under this Agreement in legal proceedings.
- (g) Each of Gale Force and Montana shall take reasonable steps to ensure that its Representatives are aware of the provisions of this Section 3.3. Each of Gale Force and Montana shall be responsible for any breach of this Section 3.3 by its Representatives.

3.4 Access to Information

- (a) From the date hereof until the earlier of the Effective Time and the termination of this Agreement, subject to compliance with applicable Law and the terms of any existing contracts, agreements, commitments or understanding by which it is bound, each of the Parties shall, and shall cause its respective subsidiaries and their respective Representative to, afford to the other Party and to the Representatives of the other Party such access as the other Party may reasonably require at all reasonable times, including, in the case of requests by Montana, for the purpose of facilitating integration business planning, to their officers, employees, agents, properties, books, records, and shall furnish the other Party with all data and information as the other Party may reasonably request. Montana and Gale Force acknowledge and agree that information furnished pursuant to this Section 3.4 shall be subject to the terms and conditions of the Confidentiality Agreement.
- (b) Nothing in this Article 3 shall require either Party to disclose information that it is prohibited from disclosing pursuant to a written confidentiality agreement or confidentiality provision of an agreement with a third party.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of Montana

Montana hereby makes the representations and warranties set out in this Section 4.1 to, and in favour of, Gale Force and acknowledges that Gale Force is relying upon such representations and warranties in connection with the matters contemplated by this Agreement.

- (a) Montana is a corporation duly incorporated and validly subsisting under the ABCA and has the requisite power and capacity to carry on its business as it is now being conducted.

- (b) Each of Montana's subsidiaries is duly formed and validly subsisting under the laws of the jurisdiction of its formation and has the requisite power and capacity to carry on its business as it is now being conducted.
- (c) Montana and each of its subsidiaries is duly registered to do business and is in good standing in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities make such registration necessary, except where the failure to be so registered or in good standing would not reasonably be expected to have a Material Adverse Effect on Montana.
- (d) Montana has the requisite corporate power and capacity to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation by Montana of the transactions contemplated by this Agreement have been duly authorized by the Montana Board and, subject to the approval of the TSXV and the approval of the Montana Resolutions by the Montana Shareholders, no other proceedings on the part of Montana are or shall be necessary to consummate the transactions contemplated by this Agreement. This Agreement has been duly executed and delivered by Montana and constitutes a legal, valid and binding obligation of Montana enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other Laws relating to or affecting creditors' rights generally and to general principles of equity. The only Montana Shareholder approvals required in respect of the Montana Resolutions are: (i) in respect of the renewal of the Montana Option Plan pursuant to which an aggregate of such number of Montana Shares as is equal to 10% of the number of issued and outstanding Montana Shares may be issued from time to time, at least a majority of the votes cast by the Montana Shareholders present in person or represented by proxy at the Montana Meeting; (ii) in respect of the fixing of the number of directors on the Montana Board, at least a majority of the votes cast by the Montana Shareholders present in person or represented by proxy at the Montana Meeting; and (iii) in respect of the election of James Collins, Donald Foulkes, Michael Hibberd, Julian McIntyre, Charles Selby and Allan Bezanson to the Montana Board, at least a majority of the votes cast by the Montana Shareholders present in person or represented by proxy at the Montana Meeting;
- (e) Neither the execution and delivery of this Agreement by Montana, the consummation by Montana of the transactions contemplated by this Agreement nor compliance by Montana or any of its subsidiaries with any of the provisions hereof will: (i) violate, conflict with, or result in breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in a creation of any Encumbrance upon any of the properties or assets of Montana or any its subsidiaries under, any of the terms, conditions or provisions of (x) the articles, bylaws or other constating documents of Montana or any its subsidiaries, or (y) any note, bond, mortgage, indenture, loan agreement, deed of trust, lien, contract or other instrument or obligation to which Montana or any of its subsidiaries is a party or to which it, or its properties or assets, may be subject or by which Montana or any of its subsidiaries is bound; or (ii) violate any judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation of any Governmental Authority applicable to Montana or any its subsidiaries (except, in the case of each of clauses (i) and (ii) above, for such violations, conflicts, breaches, defaults or terminations that, or any consents, approvals or notices which if not given or received, would not reasonably be expected to have any Material Adverse Effect on Montana or materially impede the ability of Montana to consummate the transactions contemplated by this Agreement); or (iii) cause a suspension or revocation of any consent, approval or license currently in effect that would reasonably be expected to have a Material Adverse Effect on Montana.

- (f) Other than the approval by the Montana Shareholders of the Montana Resolutions, or in connection with or in compliance with applicable Laws, including the requirements of the TSXV that are required to be fulfilled on or before the Effective Time:
 - (i) there is no legal impediment to Montana's consummation of the transactions contemplated by this Agreement, subject to the grant of the Interim Order and the Final Order by the Court; and
 - (ii) no filing or registration with, or authorization, consent or approval of, any Governmental Authority is required to be made or obtained by Montana in connection with the consummation of the transactions contemplated by this Agreement, except for such filings or registrations that, if not made, and such authorizations, consents or approvals, that, if not received, would not materially impede the ability of Montana to consummate the transactions contemplated by this Agreement.
- (g) The authorized capital of Montana consists of an unlimited number of Montana Shares and an unlimited number of preferred shares. As at the date hereof, 102,751,268 Montana Shares and no preferred shares are issued and outstanding.
- (h) Except as set out in Section 4.1(h) of the Montana Disclosure Letter, no person holds any securities convertible or exchangeable into securities of Montana or of any of its subsidiaries, or has any agreement, warrant, option, right or privilege (whether pre-emptive or contractual) being or capable of becoming an agreement, warrant, option, right or privilege (whether or not on condition(s)) for the purchase or other acquisition of any unissued securities of Montana or of any of its subsidiaries.
- (i) Montana has a sufficient number of authorized Montana Shares to fulfill its obligations under the Plan of Arrangement, including the Montana Debt Conversion, and all Montana Shares issued pursuant to the Arrangement will be validly issued as fully paid and non-assessable common shares of Montana.
- (j) Montana has no subsidiaries other than ANG Holding Corp., ANG Holding (USA) Corp., Montana Land & Exploration, Inc., AltaCanada Energy Partnership and Alberta Selecta Corporation. Montana does not beneficially hold any securities or other interests, or securities convertible or exchangeable into securities or other interests, of any other person.
- (k) Montana is a reporting issuer under securities legislation in force in each of the provinces of British Columbia, Alberta, Ontario and Quebec and is not currently in default, in any material respect, of any requirement of the Applicable Canadian Securities Laws of such jurisdictions and Montana is not included on any list of defaulting reporting issuers maintained by any securities commission or similar regulatory authority in any such jurisdiction.
- (l) The Montana Shares are listed on the TSXV, and Montana is in compliance, in all material respects, with the policies and requirements of the TSXV.
- (m) The information and statements set out in the Montana Public Record (except with respect to forecasts, projections and other forward-looking information, in respect of which no representation or warranty is provided under this Section 4.1(m)) were true, correct, and complete and did not contain any misrepresentation as of the respective dates of such information or statements.

- (n) Since March 31, 2015, except as disclosed in the Montana Public Record to the date hereof:
- (i) there has not been any material adverse change in the assets, liabilities or financial condition of Montana from the position set out in the Montana Financial Statements,
 - (ii) there has not been any material adverse change in the business, capital, operations or results of the operations of Montana;
 - (iii) there have been no material facts, transactions, events or occurrences which, to the knowledge of Montana, could reasonably be expected to have a Material Adverse Effect on Montana;
 - (iv) Montana has conducted its business only in the ordinary and normal course, consistent with past practice; and
 - (v) no liability or obligation of any nature or kind whatsoever (whether absolute, accrued, contingent or otherwise) material to Montana (on a consolidated basis) has been incurred other than in the ordinary and normal course of business, consistent with past practice.
- (o) Montana made available to GLJ, prior to the issuance of the Montana Reserves Report, for the purpose of preparing the Montana Reserves Report, all information requested by GLJ, which information did not contain any misrepresentation at the time such information was provided. Except with respect to changes in commodity prices and royalties, the effect of actual production of oil, natural gas and other petroleum substances on reserves estimates and as otherwise disclosed to Gale Force. Montana has no knowledge of any adverse material change in any production, cost, reserves or other relevant information provided to GLJ since the dates that such information was so provided. Montana believes that the Montana Reserves Report reasonably estimated the quantity and net present values of future net revenues, on an aggregate basis, of the oil and natural gas reserves attributed to the crude oil, natural gas liquids and natural gas properties evaluated in the Montana Reserves Report as at December 31, 2014, based upon information available at the time the Montana Reserves Report was prepared and the pricing and other assumptions set out therein.
- (p) Except as set out in Section 4.1(p) of the Montana Disclosure Letter, there are no proceedings against or involving Montana or any of its subsidiaries or in respect of its business, properties or assets (whether in progress or, to the knowledge of Montana, threatened), that if adversely determined, would reasonably be expected to have a Material Adverse Effect on Montana or to materially impede the completion of the transactions contemplated by this Agreement and, to the knowledge of Montana, no event has occurred that might reasonably be expected to give rise to any proceeding. There is no judgment, writ, decree, injunction, rule, award or order of any Governmental Authority or arbitrator outstanding against Montana or any Montana subsidiary that has had or would reasonably be expected to have a Material Adverse Effect on Montana or to materially impede the completion of the transactions contemplated by this Agreement.
- (q) The Montana Financial Statements fairly present, in accordance with IFRS at the applicable date, the financial position and condition of Montana (on a consolidated basis) at the dates thereof and the results of the operations of Montana for the periods then ended and reflect in accordance with IFRS at the applicable date, all material assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of Montana (on a consolidated basis) as at the dates thereof.

- (r) Montana has not received notice of any material violation of, or investigation relating to, any applicable Law with respect to the assets, business or operations of Montana or any of its subsidiaries, and Montana and each of its subsidiaries holds and is in compliance with all permits, licenses and other authorizations that are required under applicable Laws relating to its respective assets, business or operations, except where the failure to comply with the foregoing would not reasonably be expected to have a Material Adverse Effect on Montana. The assets of Montana and each of its subsidiaries are, and have been, operated and maintained by it in compliance, in all material respects, with applicable Laws, permits, licenses and authorizations.
- (s) Montana and each of its subsidiaries has complied, and is in compliance with, all Laws applicable to the operation of its business, except where non-compliance would not reasonably be expected to have a Material Adverse Effect on Montana or materially impede the ability of Montana to consummate the Arrangement.
- (t) No securities commission or similar regulatory authority, or stock exchange in Canada or elsewhere, has issued any order that is currently outstanding preventing or suspending trading in any securities of Montana and no such proceeding is, to the knowledge of Montana, pending, contemplated or threatened.
- (u) There are no payments owing or that will become owing in connection with the transactions contemplated by this Agreement to any directors, officers, employees and consultants of Montana or any of its subsidiaries.
- (v) The respective business of Montana and each of its subsidiaries has been and is being operated in compliance, in all material respects, with applicable Laws relating to employment, including employment standards, occupational health and safety, human rights, labour relations, workers compensation, pay equity and employment equity and neither Montana nor any of its subsidiaries has received notice of any outstanding assessments, penalties, fines, liens, charges, surcharges, or other amounts due or owing pursuant to Laws applicable to workers' compensation and neither Montana nor any of its subsidiaries has been reassessed in any material respect under such Laws.
- (w) Except as set out on Section 4.1(w) of the Montana Disclosure Letter, neither Montana nor any of its Subsidiaries provides any benefits to its employees, officers, directors or consultants.
- (x) Montana has not retained any financial advisor, broker, agent or finder, or paid or agreed to pay any financial advisor, broker, agent or finder on account of this Agreement or the Arrangement, any transaction contemplated hereby or any transaction presently ongoing or contemplated.
- (y) The Montana Board has unanimously approved the execution and delivery of this Agreement and the transactions contemplated hereby, has unanimously determined that the Arrangement is in the best interests of Montana and has resolved, unanimously, to recommend approval of the Montana Resolutions by the Montana Shareholders at the Montana Meeting.
- (z) Montana is not a party to any shareholder rights plan or any other form of plan, agreement, contract or instrument that will trigger any rights to acquire Montana Shares or other securities of Montana or rights, entitlements or privileges in favour of any person upon the entering into of this Agreement.
- (aa) To the knowledge of Montana, none of the Montana Shares is subject to any escrow, voting trust or other similar agreement except for the Montana Support Agreements executed in connection with the Arrangement.

- (bb) Except to the extent that any violation or other matter referred to below in this Section would not reasonably be expected to have a Material Adverse Effect on Montana:
- (i) neither Montana nor any of its subsidiaries is in violation of any Environmental Laws;
 - (ii) Montana and each of its subsidiaries has, at all times, operated its business and has received, handled, used, stored, treated, shipped and disposed of all Hazardous Substances without violation of Environmental Laws;
 - (iii) there have been no spills, releases, deposits or discharges of Hazardous Substances into the earth, air or into any body of water or any municipal or other sewer or drain water systems by Montana or any of its subsidiaries that have not been remedied;
 - (iv) no orders, directions or notices have been issued and remain outstanding pursuant to any Environmental Laws relating to the business or assets of Montana or any of its subsidiaries;
 - (v) neither Montana nor any of its subsidiaries has failed to report to the proper Governmental Authority the occurrence of any event that was required to be reported under any Environmental Law; and
 - (vi) Montana and each of its subsidiaries holds all licenses, permits and approvals required under any Environmental Laws in connection with the operation of its business and the ownership and use of its assets, all such licenses, permits and approvals are in full force and effect, and except for notifications and conditions of general application to assets of reclamation obligations under legislation in each jurisdiction in which it conducts its business, neither Montana nor any of its subsidiaries has received any notification pursuant to any Environmental Laws that any work, repairs, constructions or capital expenditures are required to be made by it as a condition of continued compliance with any Environmental Laws, or any license, permit or approval issued pursuant thereto, or that any license, permit or approval referred to above is about to be reviewed, made subject to any limitation or conditions, revoked, withdrawn or terminated.
- (cc) The corporate records and minute books, books of account and other records of Montana and each of its subsidiaries (whether of a financial or accounting nature or otherwise) have been maintained, in all material respects, in accordance with all applicable statutory requirements and prudent business practices and are complete and up-to-date in all material respects as at the date hereof.
- (dd) All Returns required to be filed by Montana or any of its subsidiaries prior to the Effective Date have been duly filed on a timely basis, are true, complete and correct in all material respects, all Taxes shown to be payable on such Returns or on subsequent assessments and reassessments with respect thereto have been paid in full on a timely basis, and no other Taxes are payable by Montana or any of its subsidiaries with respect to items or periods covered by such Returns.
- (ee) Neither Montana nor any of its subsidiaries has requested or entered into any agreement or other arrangement or executed any waiver providing for any extension of time: (i) to file any Return covering any Taxes for which it may be liable; (ii) to file any elections, designations or similar filings relating to Taxes for which it is or may be liable; (iii) pursuant to which Montana or any of its subsidiaries is required to pay or remit any Taxes or amounts on account of Taxes; or (iv)

pursuant to which any Governmental Authority may assess, reassess or collect Taxes for which Montana or any of its subsidiaries is or may be liable.

- (ff) Neither Montana nor any of its subsidiaries is a party to any Tax sharing agreement, Tax indemnification agreement or other agreement or arrangement relating to Taxes with any person. Neither Montana nor any of its subsidiaries has material liability for the Taxes of any other person under any applicable Law, as a transferee or successor, by contract or otherwise.
- (gg) Neither Montana nor any of its subsidiaries has claimed or will claim in any Return for any taxation year ending on or before the Effective Date any reserve (including, without limitation, any reserve under paragraph 20(1)(n) or subparagraph 40(1)(a)(iii) of the Tax Act or any analogous provision under the applicable tax Law of any province or other jurisdiction) of any amount that could be included in the income of Montana or any of its subsidiaries for any period ending after the Effective Date.
- (hh) The Montana Financial Statements set forth a summary (on a consolidated basis) of the resource tax pools of Montana and its subsidiaries estimated as at December 31, 2014, and such summary is true and correct in all material respects.
- (ii) Neither Montana nor any of its subsidiaries has acquired property from a non-arm's length person, within the meaning of the Tax Act, for consideration, the value of which is less than the fair market value of the property acquired in circumstances that would subject it to a liability under section 160 of the Tax Act or under any equivalent provisions of any applicable legislation.
- (jj) Montana has paid at the applicable date, or provided adequate accruals in the Montana Financial Statements for in accordance with IFRS, all Taxes, including income taxes and related future taxes.
- (kk) No material deficiencies exist or have been asserted in respect of Montana or any of its subsidiaries with respect to Taxes. Neither Montana nor any of its subsidiaries is a party to any action or proceeding for assessment, reassessment or collection of Taxes, nor, to the knowledge of Montana, has such event been asserted or threatened against Montana, any of its subsidiaries or any of their assets. Except as disclosed by Montana to Gale Force in writing prior to the date hereof, the Returns have never been audited by a Governmental Authority, nor is any such audit, assessment, reassessment, claim, action, suit, investigation or proceeding in process or, to the knowledge of Montana, pending or threatened, which resulted in or could result in a claim for Taxes owing by Montana or any of its subsidiaries, except where such audit, assessment, reassessment, claim, action, suit, investigation or proceeding would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Montana. Montana and each of its subsidiaries has withheld all Taxes required to be withheld by applicable Laws and has paid or remitted on a timely basis, the full amount of any Taxes which have been withheld to the applicable Governmental Authority.
- (ll) As of the date of this Agreement, neither Montana nor any of its Subsidiaries has any requirements to incur or renounce to others any Canadian exploration expense or Canadian development expense, each as defined under the Tax Act, pursuant to any flow-through share agreement
- (mm) Montana is a "taxable Canadian corporation" as defined in Section 89(1) of the Tax Act.

- (nn) No director, officer or insider of, or other non-arm's length party to, Montana (or any associate or affiliate thereof) has any right, title or interest in (or the right to acquire any right, title or interest in) any royalty interest, carried interest, participation interest or any other interest whatsoever that is based on production from, or in respect, of any properties of Montana or of any its subsidiaries.
- (oo) No director, officer or insider of, or other non-arm's length party to, Montana is indebted to Montana or any its subsidiaries.
- (pp) Montana has no long term indebtedness or bank indebtedness.
- (qq) The Montana Circular will be, as of the Montana Mailing Date, true, complete and accurate in all material respects and shall not contain any misrepresentation and shall contain all information in respect of Montana required by Applicable Canadian Securities Laws to be included in the Montana Circular.
- (rr) Except as disclosed on Section 4.1(rr) of the Montana Disclosure Letter, all agreements entered into by Montana since March 31, 2015 with persons other than Gale Force regarding the confidentiality of information provided to such persons or reviewed by such persons with respect to a purchase by or sale of Montana or a substantial portion of its assets or any other similar business combination or transaction with any other party are in substantially the form of the Confidentiality Agreement and Montana has not, as at the date hereof, waived any standstill or other provisions of any such agreements.
- (ss) Except for indemnity agreements with its directors and officers and as contemplated by the by-laws of Montana and applicable Laws, standard indemnity agreements in respect of financial services (including credit facilities) and underwriting and agency agreements and indemnities provided in the ordinary course to industry partners and service providers, neither Montana nor any of its subsidiaries is a party to or bound by any agreement, guarantee, indemnification, or endorsement or like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any person, firm or corporation.
- (tt) Neither Montana nor the Montana Board has agreed or consented to the release of any director or officer of Montana from any fiduciary duty owed by such person to Montana or the holders of Montana Shares, including without limitation, as would allow any such person to pursue any corporate opportunities that would otherwise be the property of Montana.
- (uu) All operations conducted by Montana or any of its subsidiaries and to the knowledge of Montana, any and all operations conducted by third parties, on or in respect of the assets and properties of Montana (on a consolidated basis), have been conducted, in all material respects, in compliance with good oilfield practices.
- (vv) Although it does not warrant title, Montana has no reason to believe that Montana or any of its subsidiaries does not have title to, or an irrevocable right to produce and sell, its petroleum, natural gas and related hydrocarbons (for the purposes of this Section, the foregoing are referred to as the "**Montana Interests**") and Montana represents and warrants that, to the knowledge of Montana, the Montana Interests are free and clear of adverse claims created by, through or under Montana, except related to debt financing or those arising in the ordinary course of business, and, to the knowledge of Montana, Montana or its subsidiaries hold the Montana Interests under valid and subsisting leases, licenses, permits, concessions, concession agreements, contracts, subleases, reservations or other agreements, except where the failure to so hold the Montana Interests would not reasonably be expected to have a Material Adverse Effect upon Montana.

- (ww) Montana is not aware of any defects, failures or impairments in its title to its oil and natural gas properties, whether or not an action, suit, proceeding or inquiry is pending or threatened and whether or not discovered by any third party, which in aggregate could have a Material Adverse Effect on: (i) the quantity and pre-tax present worth values of the oil, natural gas or natural gas liquids reserves of Montana (on a consolidated basis) shown in the Montana Reserves Report; (ii) the current production of Montana (on a consolidated basis); or (iii) the current cash flow of Montana (on a consolidated basis).
- (xx) Neither Montana nor any of its subsidiaries has received notice of any default under any of the leases or other title and operating documents, or any other agreement or instrument, pertaining to its oil and natural gas assets or properties or to which it is a party or bound, except to the extent that such defaults would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Montana.
- (yy) To the knowledge of Montana:
 - (i) Montana and each of its subsidiaries is in good standing under all, and is not in default under any; and
 - (ii) there is no existing condition, circumstance or other matter that constitutes or which, with the passage of time or the giving of notice, would constitute a default under any,

leases and other title and operating documents, joint venture agreements, or any other agreements or instruments, pertaining to its oil and natural gas assets or properties to which it is a party or by or to which it or such assets or properties are bound or subject and, to the knowledge of Montana, all such leases, title and operating documents, joint venture agreements and other agreements and instruments are in good standing and in full force and effect and none of the counterparties to such leases, title and operating documents, joint venture agreements or other agreements and instruments is in default thereunder except to the extent that such defaults would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Montana.
- (zz) None of the oil and natural gas assets or properties of Montana or any of its subsidiaries is subject to reduction by reference to payout of, or production penalty on, any well or otherwise or to change to an interest of any other size or nature by virtue of or through any right or interest granted by, through or under Montana, except to the extent that all such reductions or changes to an interest would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Montana.
- (aaa) None of the wells in which Montana or any its subsidiaries holds an interest has been produced in excess of applicable production allowables imposed under any applicable Laws by any Governmental Authority and Montana does not have any knowledge of any pending change in production allowables imposed under any applicable Laws by any Governmental Authority that may be applicable to any of the wells in which it holds an interest, other than changes of general application in the jurisdiction in which such wells are located and in each case except to the extent that such non-compliance or changes would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Montana.
- (bbb) Neither Montana nor any of its subsidiaries has received notice of any production penalty or similar production restriction of any nature imposed or to be imposed by any Governmental Authority and, to Montana's knowledge, none of the wells in which Montana or any of its subsidiaries holds an interest is subject to any such penalty or restriction except to the extent that

any such penalty or restriction would not reasonably be expected to have a Material Adverse Effect on Montana.

- (ccc) All wells located on any lands in which Montana or any of its subsidiaries has an interest, or lands with which such lands have been pooled or unitized, which have been abandoned, have been abandoned in accordance, in all material respects, with applicable Laws regarding the abandonment of wells.
- (ddd) Neither Montana nor any of its subsidiaries has entered into any material joint venture with a third party other than as set forth on Section 4.1(ddd) of the Montana Disclosure Letter.
- (eee) Except for Encumbrances associated with Montana's senior lending arrangements which shall be released following the conversion of such senior lending arrangements pursuant to the Montana Debt Conversion, Montana and its subsidiaries have: (i) not alienated or encumbered its oil and natural gas assets or any part or portion thereof; (ii) not committed and Montana is not aware of there having been committed any act or omission whereby such assets or any part or portion thereof may be cancelled or determined, and such assets are now free and clear of all liens, royalties (including gross overriding royalties), conversion rights and other claims of third parties, created by, through or under Montana or of which Montana has knowledge.
- (fff) There are no outstanding authorizations for expenditure pertaining to any of the oil and natural gas assets of Montana or any of its subsidiaries or any other commitments, approvals or authorizations pursuant to which an expenditure may be required to be made in respect of such assets after the date of the most recent Montana Financial Statements in excess of \$50,000 in the aggregate.
- (ggg) Except as disclosed in Section 4.1(ggg) of the Montana Disclosure Letter, as at the date of this Agreement, Montana Land & Exploration Inc., a wholly-owned subsidiary of Montana, owns oil and gas mineral leases to 85,000 net acres of lands in connection with its working interests within the state of Montana, USA (the "**Montana Lands**"). Montana has the unlimited rights of use to the proprietary data from 3D (three dimensional) seismic shots over 50 square miles covering the general area within which the majority of the Montana Lands are located.
- (hhh) All ad valorem, property, production, severance and similar Taxes and assessments based on or measured by the ownership of property or the production of hydrocarbon substances, or the receipt of proceeds therefrom, payable in respect of the oil and natural gas assets and properties of Montana (on a consolidated basis) prior to the date hereof have been properly and fully paid and discharged, and there are no unpaid Taxes or assessments that could result in a lien or charge on the oil and natural gas assets and properties of Montana (on a consolidated basis), except for unpaid Taxes or assessments or liens or charges that do not and would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Montana.
- (iii) Except as set out in the Montana Financial Statements or in the Montana Public Record, neither Montana nor any of its subsidiaries is a party to or subject to any hedges, swaps or other financial instruments or like transactions.
- (jjj) Policies of insurance are in force as of the date hereof naming Montana as an insured that adequately cover all risks that are customarily insured against by oil and natural gas producers in western Canada and the United States. All such policies will remain in force and effect and will not be cancelled or otherwise terminated as a result of the transactions contemplated by this Agreement.

- (kkk) Montana has not withheld from Gale Force any material information or documents concerning Montana or any of its subsidiaries or their assets or liabilities requested by Gale Force during the course of Gale Force's review of Montana and its assets (on a consolidated basis).
- (III) There are no agreements material to the conduct of Montana's affairs or business, except for those agreements entered into in the ordinary course of business or disclosed in the Montana Public Record or to Gale Force, and, assuming due authorization by the other parties thereto, all such material agreements are valid and subsisting and Montana is not in default of any of its material obligations under any such agreement, except where such default would not reasonably be expected to have a Material Adverse Effect on Montana.

4.2 Representations and Warranties of Gale Force

Gale Force hereby makes the representations and warranties set out in this Section 4.2 to, and in favour of, Montana and acknowledges that Montana is relying upon such representations and warranties in connection with the matters contemplated by this Agreement.

- (a) Gale Force is a corporation duly continued and validly subsisting under the CBCA and has the requisite power and capacity to carry on its business as it is now being conducted.
- (b) Each of Gale Force's subsidiaries is duly formed and validly subsisting under the laws of the jurisdiction of its formation and has the requisite power and capacity to carry on its business as it is now being conducted.
- (c) Gale Force and each of its subsidiaries is duly registered to do business and is in good standing in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities make such registration necessary, except where the failure to be so registered or in good standing would not reasonably be expected to have a Material Adverse Effect on Gale Force.
- (d) Gale Force has the requisite corporate power and capacity to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation by Gale Force of the transactions contemplated by this Agreement have been duly authorized by the GFP Board and, subject to the approval of the TSXV, the approval by the applicable GFP Securityholders of the GFP Resolutions, the grant of the Interim Order and the Final Order by the Court, no other proceedings on the part of Gale Force are or shall be necessary to consummate the transactions contemplated by this Agreement. This Agreement has been duly executed and delivered by Gale Force and constitutes a legal, valid and binding obligation of Gale Force enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other Laws relating to or affecting creditors' rights generally and to general principles of equity.
- (e) Neither the execution and delivery of this Agreement by Gale Force, the consummation by Gale Force of the transactions contemplated by this Agreement nor compliance by Gale Force or any of its subsidiaries with any of the provisions hereof will: (i) violate, conflict with, or result in breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in a creation of any Encumbrance upon any of the properties or assets of Gale Force or any its subsidiaries under, any of the terms, conditions or provisions of (x) the articles, bylaws or other constating documents of Gale Force or any its subsidiaries, or (y) any note, bond, mortgage, indenture, loan agreement, deed of trust, lien, contract or other instrument or obligation to which Gale Force or any of its subsidiaries is a party

or to which it, or its properties or assets, may be subject or by which Gale Force or any of its subsidiaries is bound; or (ii) violate any judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation of any Governmental Authority applicable to Gale Force or any its subsidiaries (except, in the case of each of clauses (i) and (ii) above, for such violations, conflicts, breaches, defaults or terminations that, or any consents, approvals or notices which if not given or received, would not reasonably be expected to have any Material Adverse Effect on Gale Force or materially impede the ability of Gale Force to consummate the transactions contemplated by this Agreement); or (iii) cause a suspension or revocation of any consent, approval or license currently in effect that would reasonably be expected to have a Material Adverse Effect on Gale Force.

- (f) Other than the approval by the applicable GFP Securityholders of the GFP Resolutions, the grant of the Interim Order and the Final Order by the Court, or in connection with or in compliance with applicable Laws, including the requirements of the TSXV that are required to be fulfilled on or before the Effective Time:
 - (i) there is no legal impediment to Gale Force's consummation of the transactions contemplated by this Agreement; and
 - (ii) no filing or registration with, or authorization, consent or approval of, any Governmental Authority is required to be made or obtained by Gale Force in connection with the consummation of the transactions contemplated by this Agreement, except for such filings or registrations that, if not made, and such authorizations, consents or approvals, that, if not received, would not materially impede the ability of Gale Force to consummate the transactions contemplated by this Agreement.
- (g) The authorized capital of Gale Force consists of an unlimited number of GFP Common Shares and an unlimited number of preferred shares issuable in series, of which Series I preferred shares, Series II preferred shares and the GFP Preferred Shares have been created. As at the date hereof, 80,141,416 GFP Common Shares and 9,884,091 GFP Preferred Shares are issued and outstanding.
- (h) Except as set out on Section 4.2(h) of the GFP Disclosure Letter, other than the holders of the GFP Preferred Shares, no person holds any securities convertible or exchangeable into securities of Gale Force or of any of its subsidiaries or has any agreement, warrant, option, right or privilege (whether pre-emptive or contractual) being or capable of becoming an agreement, warrant, option, right or privilege (whether or not on condition(s)) for the purchase or other acquisition of any unissued securities of Gale Force or of any of its subsidiaries.
- (i) Gale Force has no subsidiaries other than GFP Central USA Inc. and GFP Texas Inc. Gale Force does not beneficially hold any securities or other interests, or securities convertible or exchangeable into securities or other interests, of any other person.
- (j) Gale Force is a reporting issuer under securities legislation in force in the each of the provinces of British Columbia, Alberta and Quebec and is not currently in default, in any material respect, of any requirement of the Applicable Canadian Securities Laws of such jurisdictions and Gale Force is not included on any list of defaulting reporting issuers maintained by any securities commission or similar regulatory authority in any such jurisdiction.
- (k) The GFP Common Shares are listed on the TSXV, and Gale Force is in compliance, in all material respects, with the policies and requirements of the TSXV.

- (l) The information and statements set out in the GFP Public Record (except with respect to forecasts, projections and other forward-looking information, in respect of which no representation or warranty is provided under this Section 4.2(l)) were true, correct, and complete and did not contain any misrepresentation as of the respective dates of such information or statements.
- (m) Since March 31, 2014, except as disclosed in the GFP Public Record to the date hereof:
 - (i) there has not been any material adverse change in the assets, liabilities or financial condition of Gale Force from the position set out in the GFP Financial Statements,
 - (ii) there has not been any material adverse change in the business, capital, operations or results of the operations of Gale Force;
 - (iii) there have been no material facts, transactions, events or occurrences which, to the knowledge of Gale Force, could reasonably be expected to have a Material Adverse Effect on Gale Force;
 - (iv) Gale Force has conducted its business only in the ordinary and normal course, consistent with past practice; and
 - (v) no liability or obligation of any nature or kind whatsoever (whether absolute, accrued, contingent or otherwise) material to Gale Force (on a consolidated basis) has been incurred other than in the ordinary and normal course of business, consistent with past practice.
- (n) Gale Force made available to LPC, prior to the issuance of the GFP Reserves Report, for the purpose of preparing the GFP Reserves Report, all information requested by LPC, which information did not contain any misrepresentation at the time such information was provided. Except with respect to changes in commodity prices and royalties, the effect of actual production of oil, natural gas and other petroleum substances on reserves estimates and as otherwise disclosed to Montana, Gale Force has no knowledge of any adverse material change in any production, cost, reserves or other relevant information provided to LPC since the dates that such information was so provided. Gale Force believes that the GFP Reserves Report reasonably estimated the quantity and net present values of future net revenues, on an aggregate basis, of the oil and natural gas reserves attributed to the crude oil, natural gas liquids and natural gas properties evaluated in the GFP Reserves Report as at June 30, 2014, based upon information available at the time the GFP Reserves Report was prepared and the pricing and other assumptions set out therein.
- (o) Except as disclosed on Section 4.2(o) of the GFP Disclosure Letter, there are no proceedings against or involving Gale Force or any of its subsidiaries or in respect of its business, properties or assets (whether in progress or, to the knowledge of Gale Force, threatened), that if adversely determined, would reasonably be expected to have a Material Adverse Effect on Gale Force or to materially impede the completion of the transactions contemplated by this Agreement and, to the knowledge of Gale Force, no event has occurred that might reasonably be expected to give rise to any proceeding. There is no judgment, writ, decree, injunction, rule, award or order of any Governmental Authority or arbitrator outstanding against Gale Force or any Gale Force subsidiary that has had or would reasonably be expected to have a Material Adverse Effect on Gale Force or to materially impede the completion of the transactions contemplated by this Agreement.

- (p) The GFP Financial Statements fairly present, in accordance with IFRS at the applicable date, the financial position and condition of Gale Force (on a consolidated basis) at the dates thereof and the results of the operations of Gale Force for the periods then ended and reflect in accordance with IFRS at the applicable date, all material assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of Gale Force (on a consolidated basis) as at the dates thereof.
- (q) Gale Force has not received notice of any material violation of, or investigation relating to, any applicable Law with respect to the assets, business or operations of Gale Force or any of its subsidiaries, and Gale Force and each of its subsidiaries holds and is in compliance with all permits, licenses and other authorizations that are required under applicable Laws relating to its respective assets, business or operations, except where the failure to comply with the foregoing would not reasonably be expected to have a Material Adverse Effect on Gale Force. The assets of Gale Force and each of its subsidiaries are, and have been, operated and maintained by it in compliance, in all material respects, with applicable Laws, permits, licenses and authorizations.
- (r) Gale Force and each of its subsidiaries has complied, and is in compliance with, all Laws applicable to the operation of its business, except where non-compliance would not reasonably be expected to have a Material Adverse Effect on Gale Force or materially impede the ability of Gale Force to consummate the Arrangement.
- (s) No securities commission or similar regulatory authority, or stock exchange in Canada or elsewhere, has issued any order that is currently outstanding preventing or suspending trading in any securities of Gale Force and no such proceeding is, to the knowledge of Gale Force, pending, contemplated or threatened.
- (t) Except as set forth in Section 2.13, there are no payments owing or that will become owing in connection with the transactions contemplated by this Agreement to any directors, officers, employees and consultants of Gale Force or any of its subsidiaries.
- (u) Section 4.2(u) of the GFP Disclosure Letter sets out an up-to-date list of information respecting each employee, director, independent contractor, consultant and agent of Gale Force and each of its subsidiaries who currently provides administrative, operational, maintenance or management services to Gale Force or any of its subsidiaries pursuant to an agreement that may not be terminated on less than three-months' notice (or pay in lieu thereof), whether actively at work or not. Except as set out in the GFP Disclosure Letter, no such person has any agreement as to length of notice or severance payment required to terminate his/her employment, other than such as results by applicable Laws from the employment of an employee without an agreement as to notice or severance.
- (v) The respective business of Gale Force and each of its subsidiaries has been and is being operated in compliance, in all material respects, with applicable Laws relating to employment, including employment standards, occupational health and safety, human rights, labour relations, workers compensation, pay equity and employment equity and neither Gale Force nor any of its subsidiaries has received notice of any outstanding assessments, penalties, fines, liens, charges, surcharges, or other amounts due or owing pursuant to Laws applicable to workers' compensation and neither Gale Force nor any of its subsidiaries has been reassessed in any material respect under such Laws.
- (w) All amounts due or accrued for all salary, wages, bonuses, commissions, vacation pay, and other employee benefits in respect of any employee, director, independent contractor, consultant and agent of Gale Force or any of its subsidiaries that are attributable to the period before the

Effective Date will be paid at or prior to the Effective Time in the ordinary course of business and consistent with past practice and are or shall be accurately reflected in the books and records of Gale Force or its applicable subsidiary.

- (x) Other than pursuant to the GFP Fairness Advisor Engagement Letter, Gale Force has not retained any financial advisor, broker, agent or finder, or paid or agreed to pay any financial advisor, broker, agent or finder on account of this Agreement or the Arrangement, any transaction contemplated hereby or any transaction presently ongoing or contemplated.
- (y) The GFP Board has unanimously approved the execution and delivery of this Agreement and the transactions contemplated hereby, has unanimously determined that the Arrangement is in the best interests of Gale Force and has resolved, unanimously, to recommend approval of the GFP Resolutions by the GFP Securityholders at the GFP Meeting.
- (z) The GFP Board has received the oral opinion of the GFP Fairness Advisor and confirmation that they will receive the written opinion of the GFP Fairness Advisor, to the effect that, as of the date hereof, and subject to the assumptions, limitations and qualifications set forth therein, the consideration to be received pursuant to the Plan of Arrangement by the GFP Shareholders is fair, from a financial point of view, to the GFP Shareholders.
- (aa) Gale Force is not a party to any shareholder rights plan or any other form of plan, agreement, contract or instrument that will trigger any rights to acquire GFP Shares or other securities of Gale Force or rights, entitlements or privileges in favour of any person upon the entering into of this Agreement.
- (bb) To the knowledge of Gale Force, none of the GFP Shares is subject to any escrow, voting trust or other similar agreement except for the GFP Support Agreements executed in connection with the Arrangement.
- (cc) Except to the extent that any violation or other matter referred to below in this Section would not reasonably be expected to have a Material Adverse Effect on Gale Force:
 - (i) neither Gale Force nor any of its subsidiaries is in violation of any Environmental Laws;
 - (ii) Gale Force and each of its subsidiaries has, at all times, operated its business and has received, handled, used, stored, treated, shipped and disposed of all Hazardous Substances without violation of Environmental Laws;
 - (iii) there have been no spills, releases, deposits or discharges of Hazardous Substances into the earth, air or any body of water or any municipal or other sewer or drain water systems by Gale Force or any of its subsidiaries that have not been remedied;
 - (iv) no orders, directions or notices have been issued and remain outstanding pursuant to any Environmental Laws relating to the business or assets of Gale Force or any of its subsidiaries;
 - (v) neither Gale Force nor any of its subsidiaries has failed to report to the proper Governmental Authority the occurrence of any event that was required to be reported under any Environmental Law; and

- (vi) Gale Force and each of its subsidiaries holds all licenses, permits and approvals required under any Environmental Laws in connection with the operation of its business and the ownership and use of its assets, all such licenses, permits and approvals are in full force and effect, and except for notifications and conditions of general application to assets of reclamation obligations under legislation in each jurisdiction in which it conducts its business, neither Gale Force nor any of its subsidiaries has received any notification pursuant to any Environmental Laws that any work, repairs, constructions or capital expenditures are required to be made by it as a condition of continued compliance with any Environmental Laws, or any license, permit or approval issued pursuant thereto, or that any license, permit or approval referred to above is about to be reviewed, made subject to any limitation or conditions, revoked, withdrawn or terminated.
- (dd) The corporate records and minute books, books of account and other records of Gale Force and each of its subsidiaries (whether of a financial or accounting nature or otherwise) have been maintained, in all material respects, in accordance with all applicable statutory requirements and prudent business practices and are complete and up-to-date in all material respects as at the date hereof.
- (ee) All Returns required to be filed by Gale Force or any of its subsidiaries have been duly filed on a timely basis, are true, complete and correct in all material respects, all Taxes shown to be payable on such Returns or on subsequent assessments and reassessments with respect thereto have been paid in full on a timely basis, and no other Taxes are payable by Gale Force or any of its subsidiaries with respect to items or periods covered by such Returns.
- (ff) Neither Gale Force nor any of its subsidiaries has requested or entered into any agreement or other arrangement or executed any waiver providing for any extension of time: (i) to file any Return covering any Taxes for which it may be liable; (ii) to file any elections, designations or similar filings relating to Taxes for which it is or may be liable; (iii) pursuant to which Gale Force or any of its subsidiaries is required to pay or remit any Taxes or amounts on account of Taxes; or (iv) pursuant to which any Governmental Authority may assess, reassess or collect Taxes for which Gale Force or any of its subsidiaries is or may be liable.
- (gg) Neither Gale Force nor any of its subsidiaries is a party to any Tax sharing agreement, Tax indemnification agreement or other agreement or arrangement relating to Taxes with any person. Neither Gale Force nor any of its subsidiaries has material liability for the Taxes of any other person under any applicable Law, as a transferee or successor, by contract or otherwise.
- (hh) Neither Gale Force nor any of its subsidiaries has claimed or will claim in any Return for any taxation year ending on or before the Effective Date any reserve (including, without limitation, any reserve under paragraph 20(1)(n) or subparagraph 40(1)(a)(iii) of the Tax Act or any analogous provision under the applicable tax Law of any province or other jurisdiction) of any amount that could be included in the income of Gale Force or any of its subsidiaries for any period ending after the Effective Date.
- (ii) The GFP Financial Statements set forth a summary (on a consolidated basis) of the resource tax pools of Gale Force and its subsidiaries estimated as at June 30, 2014, and such summary is true and correct in all material respects.
- (jj) Neither Gale Force nor any of its subsidiaries has acquired property from a non-arm's length person, within the meaning of the Tax Act, for consideration, the value of which is less than the

fair market value of the property acquired in circumstances that would subject it to a liability under section 160 of the Tax Act or under any equivalent provisions of any applicable legislation.

- (kk) Gale Force has paid at the applicable date, or provided adequate accruals in the GFP Financial Statements for, in accordance with IFRS, all Taxes, including income taxes and related future taxes.
- (ll) No material deficiencies exist or have been asserted in respect of Gale Force or any of its subsidiaries with respect to Taxes. Neither Gale Force nor any of its subsidiaries is a party to any action or proceeding for assessment, reassessment or collection of Taxes, nor, to the knowledge of Gale Force, has such event been asserted or threatened against Gale Force, any of its subsidiaries or any of their assets. Except as disclosed by Gale Force to Montana in writing prior to the date hereof, the Returns have never been audited by a Governmental Authority, nor is any such audit, assessment, reassessment, claim, action, suit, investigation or proceeding in process or, to the knowledge of Gale Force, pending or threatened, which resulted in or could result in a claim for Taxes owing by Gale Force or any of its subsidiaries, except where such audit, assessment, reassessment, claim, action, suit, investigation or proceeding would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Gale Force. Gale Force and each of its subsidiaries has withheld all Taxes required to be withheld by applicable Laws and has paid or remitted on a timely basis, the full amount of any Taxes which have been withheld to the applicable Governmental Authority.
- (mm) As of the date of this Agreement, neither Gale Force nor any of its Subsidiaries has any requirements to incur or renounce to others any Canadian exploration expense or Canadian development expense, each as defined under the Tax Act, pursuant to any flow-through share agreement.
- (nn) Gale Force is a “taxable Canadian corporation” as defined in Section 89(1) of the Tax Act.
- (oo) No director, officer or insider of, or other non-arm’s length party to, Gale Force (or any associate or affiliate thereof) has any right, title or interest in (or the right to acquire any right, title or interest in) any royalty interest, carried interest, participation interest or any other interest whatsoever that is based on production from, or in respect of, any properties of Gale Force or of any of its subsidiaries.
- (pp) No director, officer or insider of, or other non-arm’s length party to, Gale Force is indebted to Gale Force or any of its subsidiaries.
- (qq) Gale Force has no long term indebtedness or bank indebtedness.
- (rr) The GFP Circular will be, as of the GFP Mailing Date, true, complete and accurate in all material respects and shall not contain any misrepresentation and shall contain all information in respect of Gale Force required by Applicable Canadian Securities Laws to be included in the GFP Circular.
- (ss) All agreements entered into by Gale Force since March 31, 2014 with persons other than Montana regarding the confidentiality of information provided to such persons or reviewed by such persons with respect to a purchase by or sale of Gale Force or a substantial portion of its assets or any other similar business combination or transaction with any other party are in substantially the form of the Confidentiality Agreement and Gale Force has not, as at the date hereof, waived any standstill or other provisions of any such agreements.

- (tt) Except for indemnity agreements with its directors and officers and as contemplated by the by-laws of Gale Force and applicable Laws, standard indemnity agreements in respect of financial services (including credit facilities) and underwriting and agency agreements and indemnities provided in the ordinary course to industry partners and service providers, neither Gale Force nor any of its subsidiaries is a party to or bound by any agreement, guarantee, indemnification or endorsement or like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any person, firm or corporation.
- (uu) Neither Gale Force nor the GFP Board has agreed or consented to the release of any director or officer of Gale Force from any fiduciary duty owed by such person to Gale Force or the holders of GFP Shares, including, without limitation, as would allow any such person to pursue any corporate opportunities that would otherwise be the property of Gale Force.
- (vv) All operations conducted by Gale Force or any of its subsidiaries and, to the knowledge of Gale Force, any and all operations conducted by third parties, on or in respect of the assets and properties of Gale Force (on a consolidated basis) have been conducted, in all material respects, in compliance with good oilfield practices.
- (ww) Although it does not warrant title and except as disclosed on Section 4.2(o) of the GFP Disclosure Letter, Gale Force has no reason to believe that Gale Force or any of its subsidiaries does not have title to, or an irrevocable right to produce and sell, its petroleum, natural gas and related hydrocarbons (for the purposes of this Section, the foregoing are referred to as the “**GFP Interests**”) and Gale Force represents and warrants that, to the knowledge of Gale Force, the GFP Interests are free and clear of adverse claims created by, through or under Gale Force, except related to debt financing or those arising in the ordinary course of business, and, to the knowledge of Gale Force, Gale Force or its subsidiaries hold the GFP Interests under valid and subsisting leases, licenses, permits, concessions, concession agreements, contracts, subleases, reservations or other agreements, except where the failure to so hold the GFP Interests would not reasonably be expected to have a Material Adverse Effect upon Gale Force.
- (xx) Gale Force is not aware of any defects, failures or impairments in its title to its oil and natural gas properties, whether or not an action, suit, proceeding or inquiry is pending or threatened and whether or not discovered by any third party, which in aggregate could have a Material Adverse Effect on: (i) the quantity and pre-tax present worth values of the oil, natural gas or natural gas liquids reserves of Gale Force (on a consolidated basis) shown in the GFP Reserves Report; (ii) the current production of Gale Force (on a consolidated basis) ; or (iii) the current cash flow of Gale Force (on a consolidated basis).
- (yy) Neither Gale Force nor any of its subsidiaries has received notice of any default under any of the leases or other title and operating documents, or any other agreement or instrument, pertaining to its oil and natural gas assets or properties or to which it is a party or bound, except to the extent that such defaults would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Gale Force.
- (zz) To the knowledge of Gale Force:
 - (i) Gale Force and each of its subsidiaries is in good standing under all, and is not in default under any; and
 - (ii) there is no existing condition, circumstance or other matter that constitutes or which, with the passage of time or the giving of notice, would constitute a default under any,

leases and other title and operating documents, joint venture agreements, or any other agreements or instruments, pertaining to its oil and natural gas assets or properties to which it is a party or by or to which it or such assets or properties are bound or subject and, to the knowledge of Gale Force, all such leases, title and operating documents, joint venture agreements and other agreements and instruments are in good standing and in full force and effect and none of the counterparties to such leases, title and operating documents, joint venture agreements or other agreements and instruments is in default thereunder except to the extent that such defaults would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Gale Force.

- (aaa) None of the oil and natural gas assets or properties of Gale Force or any of its subsidiaries is subject to reduction by reference to payout of, or production penalty on, any well or otherwise or to change to an interest of any other size or nature by virtue of or through any right or interest granted by, through or under Gale Force, except to the extent that all such reductions or changes to an interest would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Gale Force.
- (bbb) None of the wells in which Gale Force or any its subsidiaries holds an interest has been produced in excess of applicable production allowables imposed under any applicable Laws by any Governmental Authority and Gale Force does not have any knowledge of any pending change in production allowables imposed under any applicable Laws by any Governmental Authority that may be applicable to any of the wells in which it holds an interest, other than changes of general application in the jurisdiction in which such wells are located and in each case except to the extent that such non-compliance or changes would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Gale Force.
- (ccc) Neither Gale Force nor any of its subsidiaries has received notice of any production penalty or similar production restriction of any nature imposed or to be imposed by any Governmental Authority and, to Gale Force's knowledge, none of the wells in which Gale Force or any of its subsidiaries holds an interest is subject to any such penalty or restriction except to the extent that any such penalty or restriction would not reasonably be expected to have a Material Adverse Effect on Gale Force.
- (ddd) All wells located on any lands in which Gale Force or any of its subsidiaries has an interest, or lands with which such lands have been pooled or unitized, which have been abandoned, have been abandoned in accordance, in all material respects, with applicable Laws regarding the abandonment of wells.
- (eee) Neither Gale Force nor any of its subsidiaries has entered into any material joint venture with a third party other than as set forth on Section 4.2(eee) of the GFP Disclosure Letter.
- (fff) Except for Encumbrances associated with Gale Force's bank financing, Gale Force and its subsidiaries have: (i) not alienated or encumbered its oil and natural gas assets or any part or portion thereof; (ii) not committed and Gale Force is not aware of there having been committed any act or omission whereby such assets or any part or portion thereof may be cancelled or determined, and such assets are now free and clear of all liens, royalties (including gross overriding royalties), conversion rights and other claims of third parties, created by, through or under Gale Force or of which Gale Force has knowledge.
- (ggg) There are no outstanding authorizations for expenditure pertaining to any of the oil and natural gas assets of Gale Force or any of its subsidiaries or any other commitments, approvals or

authorizations pursuant to which an expenditure may be required to be made in respect of such assets after the date of the most recent GFP Financial Statements in excess of \$50,000 in the aggregate.

- (hhh) All ad valorem, property, production, severance and similar Taxes and assessments based on or measured by the ownership of property or the production of hydrocarbon substances, or the receipt of proceeds therefrom, payable in respect of the oil and natural gas assets and properties of Gale Force (on a consolidated basis) prior to the date hereof have been properly and fully paid and discharged, and there are no unpaid Taxes or assessments that could result in a lien or charge on the oil and natural gas assets and properties of Gale Force (on a consolidated basis), except for unpaid Taxes or assessments or liens or charges that do not and would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Gale Force.
- (iii) Except as set out in the GFP Financial Statements or other in the GFP Public Record, neither Gale Force nor any of its subsidiaries is a party to or subject to any hedges, swaps or other financial instruments or like transactions.
- (jjj) Policies of insurance are in force as of the date hereof naming Gale Force as an insured that adequately cover all risks that are customarily insured against by oil and natural gas producers in western Canada and the United States. All such policies will remain in force and effect and will not be cancelled or otherwise terminated as a result of the transactions contemplated by this Agreement.
- (kkk) Gale Force has not withheld from Montana any material information or documents concerning Gale Force or any of its subsidiaries or their assets or liabilities requested by Montana during the course of Montana's review of Gale Force and its assets (on a consolidated basis).
- (III) There are no agreements material to the conduct of Gale Force's affairs or business, except for those agreements entered into in the ordinary course of business or disclosed in the GFP Public Record or to Montana, and, assuming due authorization by the other parties thereto, all such material agreements are valid and subsisting and Gale Force is not in default of any of its material obligations under any such agreement, except where such default would not reasonably be expected to have a Material Adverse Effect on Gale Force.
- (mmm) Section 4.2(mmm) of the GFP Disclosure Letter sets forth (i) the cash position of Gale Force and (ii) the GFP Net Debt, in each case as at the date of this Agreement.
- (nnn) The unpaid obligations of Gale Force under: (i) all employment or consulting services agreements, severance or retention obligations, plans or policies, termination or bonus payments or any other payments related to any Gale Force incentive plan; and (ii) all other fees, costs and expenses incurred by Gale Force in connection with this Agreement and the transactions contemplated hereby, including without limitation all financial advisory fees (including the fees and expenses of the GFP Fairness Advisor) and expenses, costs and expenses incurred in connection with the legal and other professional fees and disbursements, shall not exceed in the aggregate \$600,000.

4.3 Privacy Issues

- (a) For the purposes of this Section 4.3, "**Transferred Information**" means the personal information (namely, information about an identifiable individual other than their business contact information when used or disclosed for the purpose of contacting such individual in that

individual's capacity as a representative of an organization and for no other purpose) to be disclosed or conveyed to one Party or any of its Representatives (for purposes of this Section 4.3, "**Recipient**") by or on behalf of the other Party (for purposes of this Section 4.3, "**Disclosing Party**") as a result of or in conjunction with the transactions contemplated this Agreement, and includes all such personal information disclosed to the Recipient prior to the execution of this Agreement.

- (b) Each Disclosing Party covenants and agrees to, upon request, use commercially reasonable efforts to advise the Recipient of the purposes for which the Transferred Information was initially collected from or in respect of the individual to which such Transferred Information relates and the additional purposes where the Disclosing Party has notified the individual of such additional purpose, and where required by Law, obtained the consent of such individual to such use or disclosure.
- (c) In addition to its other obligations hereunder, the Recipient covenants and agrees to:
 - (i) prior to the completion of the transactions contemplated herein, collect, use and disclose the Transferred Information solely for the purpose of reviewing and completing the transactions contemplated herein, including for the purpose of determining to complete such transactions;
 - (ii) after the completion of the transactions contemplated herein,
 - (A) collect, use and disclose the Transferred Information only for those purposes for which the Transferred Information was initially collected from or in respect of the individual to which such Transferred Information relates or for the completion of the transactions contemplated herein, unless (a) the Disclosing Party or Recipient has first notified such individual of such additional purpose, and where required by Law, obtained the consent of such individual to such additional purpose, or (b) such use or disclosure is permitted or authorized by Law, without notice to, or consent from, such individual; and
 - (B) where required by Law, promptly notify the individuals to whom the Transferred Information relates that the transactions contemplated herein have taken place and that the Transferred Information has been disclosed to the Recipient;
 - (iii) return or destroy the Transferred Information, at the option of the Disclosing Party, should the transactions contemplated herein not be completed; and
 - (iv) notwithstanding any other provision herein, where the disclosure or transfer of Transferred Information to the Recipient requires the consent of, or the provision of notice to, the individual to which such Transferred Information relates, to not require or accept the disclosure or transfer of such Transferred Information until the Disclosing Party has first notified such individual of such disclosure or transfer and the purpose for same, and where required by Law, obtained the individual's consent to same and to only collect, use and disclose such information to the extent necessary to complete the transactions contemplated herein and as authorized or permitted by Law.

ARTICLE 5 CONDITIONS PRECEDENT

5.1 Mutual Conditions Precedent

The respective obligations of the Parties to consummate the transactions contemplated by this Agreement are subject to the fulfillment, on or before the Effective Time, or such other time specified, of each of the following conditions, each of which may only be waived by the mutual written consent of the Parties:

- (a) (i) the GFP Stated Capital Reduction Resolution shall have been approved and adopted by the holders of GFP Common Shares at the GFP Meeting in accordance with applicable Law, and implemented by Gale Force and (ii) the Arrangement Resolution shall have been approved at the GFP Meeting by the holders of GFP Common Shares and GFP Options in accordance with Sections 2.2(d)(i), 2.2(d)(ii) and 2.2(d)(iv), as provided for in the Interim Order and as required by applicable Law;
- (b) the Montana Resolutions shall have been approved and adopted by the Montana Shareholders at the Montana Meeting in accordance with applicable Law, and implemented by Montana;
- (c) the Interim Order and the Final Order shall each have been granted on terms consistent with this Agreement and satisfactory to the Parties, each acting reasonably, and shall not have been set aside or modified in a manner unacceptable to Montana or Gale Force, acting reasonably, on appeal or otherwise;
- (d) there shall not exist any prohibition at Law, including a cease trade order, injunction or other prohibition or order at Law or under applicable legislation, against Montana or Gale Force which shall prevent the consummation of the Arrangement;
- (e) no action, suit or proceeding shall have been taken under any applicable Law or by any Governmental Authority, and no Law, policy, decision or directive (having the force of Law) shall have been enacted, promulgated, amended or applied, in each case (i) that makes consummation of the Arrangement illegal, (ii) to enjoin or prohibit the Plan of Arrangement or the transactions contemplated by this Agreement, (iii) which would render this Agreement unenforceable in any way or frustrate the purpose and intent hereof, (iv) resulting in any judgment or assessment of damages, direct or indirect, which in the aggregate has had or could reasonably be expected to have a Material Adverse Effect on Montana or Gale Force, as the case may be, (v) if the Arrangement were consummated, could reasonably be expected to cause a Material Adverse Effect to Montana or Gale Force, as the case may be, or (vi) seeks to prohibit or limit the ownership or operation by any Party or any of its affiliates of any material portion of its business or assets or to compel any Party or any of its affiliates to dispose of or hold separate any material portion of its business or assets as a result of the Arrangement;
- (f) the Montana Shares and the Montana Replacement Options to be issued in the United States pursuant to the Plan of Arrangement shall be exempt from the registration requirements under the U.S. Securities Act in reliance upon the Section 3(a)(10) Exemption or have been registered under the U.S. Securities Act; and
- (g) all required regulatory and governmental approvals and consents necessary for the completion of the transactions contemplated by this Agreement shall have been obtained on terms and conditions satisfactory to each of Gale Force and Montana, acting reasonably;

The foregoing conditions are for the mutual benefit of the Parties and may be asserted by either Party regardless of the circumstances and may be waived by either Party (with respect to such Party) in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights that such Party may have.

5.2 Additional Conditions to Obligations of Montana

The obligation of Montana to consummate the transactions contemplated by this Agreement shall also be subject to the fulfilment, on or before the Effective Date or such other time specified, of the following conditions (each of which is for the exclusive benefit of Montana and may be waived by Montana at any time):

- (a) all covenants of Gale Force under this Agreement to be performed on or before the Effective Time shall have been duly performed by Gale Force in all material respects, and Montana shall have received a certificate of Gale Force addressed to Montana and dated the Effective Date, signed on behalf of Gale Force by two senior executive officers of Gale Force (on behalf of Gale Force and without personal liability) confirming the same as of the Effective Date;
- (b) the representations and warranties of Gale Force set forth in Section 4.2 of this Agreement shall be true and correct, without regard to any materiality, material adverse change or Material Adverse Effect qualifications contained in them, as of the date hereof and as of the Effective Time (as though made on and as of the Effective Time), except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date, and except where the failure or failures of such representations and warranties to be so true and correct would not reasonably be expected to have a Material Adverse Effect on Gale Force, and Montana shall have received a certificate of Gale Force, addressed to Montana and dated the Effective Date, signed on behalf of Gale Force by two senior executive officers of Gale Force (on behalf of Gale Force and without personal liability) confirming the same as of the Effective Date;
- (c) Gale Force shall have furnished Montana with:
 - (i) certified copies of the resolutions duly passed by the GFP Board approving the execution and delivery of this Agreement and the performance by Gale Force of its obligations under this Agreement and the consummation of the transactions contemplated by this Agreement;
 - (ii) certified copies of the GFP Resolutions;
 - (iii) a certificate of compliance issued by the Director;
 - (iv) a certified copy of the constating documents of Gale Force; and
 - (v) such other documents relating to the transactions contemplated hereby as Montana may reasonably request;
- (d) since the date of this Agreement, there shall not have been any change, effect, event, occurrence, development or state of facts that in the aggregate has had or could reasonably be expected to have a Material Adverse Effect on Gale Force;
- (e) on the Effective Date, each of the directors and officers of Gale Force shall have provided their resignations and such directors and officers and any other persons entitled to a payment from

Gale Force as contemplated in Section 2.13 shall have delivered mutual releases in favour of Gale Force and Montana, in form and substance satisfactory to Montana and such persons, acting reasonably; and

- (f) holders of not more than 10% of the issued and outstanding GFP Common Shares shall have validly exercised Dissent Rights.

5.3 Additional Conditions to Obligations of Gale Force

The obligation of Gale Force to consummate the transactions contemplated by this Agreement shall also be subject to the fulfilment, on or before the Effective Date or such other time specified, of the following conditions (each of which is for the exclusive benefit of Gale Force and may be waived by Gale Force at any time):

- (a) all covenants of Montana under this Agreement to be performed on or before the Effective Time shall have been duly performed by Montana in all material respects, and Gale Force shall have received a certificate of Montana addressed to Gale Force and dated the Effective Date, signed on behalf of Montana by two senior executive officers of Montana (on behalf of Montana and without personal liability) confirming the same as of the Effective Date;
- (b) the representations and warranties of Montana set forth in Section 4.1 of this Agreement shall be true and correct, without regard to any materiality, material adverse change or Material Adverse Effect qualifications contained in them, as of the date hereof and as of the Effective Time (as though made on and as of the Effective Time), except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date, and except where the failure or failures of such representations and warranties to be so true and correct would not reasonably be expected to have a Material Adverse Effect on Montana, and Gale Force shall have received a certificate of Montana, addressed to Gale Force and dated the Effective Date, signed on behalf of Montana by two senior executive officers of Montana (on behalf of Montana and without personal liability) confirming the same as of the Effective Date;
- (c) Montana shall have furnished Gale Force with:
 - (i) certified copies of the resolutions duly passed by the Montana Board approving the execution and delivery of this Agreement and the performance by Montana of its obligations under this Agreement;
 - (ii) certified copies of the Montana Resolutions;
 - (iii) a certificate of good standing issued under the *Business Corporations Act* (Alberta);
 - (iv) a certified copy of the constating documents of Montana; and
 - (v) such other documents relating to the transactions contemplated hereby as Gale Force may reasonably request;
- (d) Montana shall have delivered evidence satisfactory to Gale Force of the conditional approval of the listing and posting for trading on the TSXV of the Montana Shares to be issued pursuant to the Plan of Arrangement, the Montana Debt Conversion and the GFP Debt Conversion and upon the exercise of the Montana Replacement Options;

- (e) on the Effective Date, Gale Force shall be satisfied, acting reasonably, that the Montana Shares issued to GFP Shareholders pursuant to the Arrangement, shall not be subject to any hold period, restricted period or seasoning period under Applicable Canadian Securities Laws that shall not have been satisfied on the Effective Date;
- (f) since the date of this Agreement, there shall not have been any change, effect, event, occurrence, development or state of facts that in the aggregate has had or could reasonably be expected to have a Material Adverse Effect on Montana;
- (g) on the Effective Date, Montana shall have entered into the employment or consulting agreements set forth in the GFP Disclosure Letter and each employee and officer of Gale Force who is not retained by Montana or Gale Force following the Arrangement shall have been paid at the Effective Time (on the condition such terminated employee or officer has executed a full and final release in a form satisfactory to Montana, acting reasonably) the applicable employee obligations and payments set forth in the GFP Disclosure Letter; and
- (h) the Montana Debt Conversion shall have been consummated.

5.4 Notice and Effect of Failure to Comply with Covenants or Conditions

- (a) Each Party shall give prompt notice to the other of the occurrence, or failure to occur, at any time from the date hereof to the Effective Date, of any event or state of facts that would, or would be likely to, (i) cause any of the representations or warranties of such Party contained herein to be untrue or inaccurate in any material respect, or (ii) result in the failure to comply with or satisfy any covenant or condition to be complied with or satisfied by any Party hereunder; provided, however, that no such notification shall affect the representations or warranties of the Parties or the conditions to the obligations of the Parties hereunder.
- (b) If any of the conditions precedent set out in any of Sections 5.1, 5.2 or 5.3 is not satisfied or waived by the Party for whose benefit such condition is provided on or before the date required for the satisfaction thereof, then the Party for whose benefit the condition precedent is provided may, in addition to any other remedies it may have at law or equity, terminate this Agreement as provided for in Section 8.1, provided that, prior to the filing of the Articles of Arrangement, the Party intending to rely thereon has delivered a written notice to the other Party specifying in reasonable detail all breaches of covenants, representations and warranties or other matters that the Party delivering such notice is asserting as the basis for the non-fulfillment of the applicable condition or conditions precedent and shall provide in such notice that the other Party shall be entitled to cure any breach of a covenant or representation and warranty or other matters within five (5) Business Days after receipt of such notice (except that no cure period shall be provided for a breach that, by its nature, cannot be cured and, in no event, shall any cure period extend beyond the Outside Date). More than one such notice may be delivered by a Party.

5.5 Satisfaction of Conditions

The conditions set out in this Article 5 are conclusively deemed to have been satisfied, waived or released when, with the agreement of the Parties, Articles of Arrangement are filed under the CBCA to give effect to the Arrangement.

ARTICLE 6

AGREEMENT AS TO DAMAGES AND OTHER ARRANGEMENTS

6.1 Expenses

Except as otherwise provided herein, all fees, costs and expenses incurred in connection with this Agreement and the Plan of Arrangement shall be paid by the Party incurring such fees, costs or expenses. Notwithstanding the foregoing, in the event that this Agreement is terminated:

- (a) by Montana or Gale Force pursuant to Section 8.1(b)(ii)(C) or by Montana pursuant to Sections 8.1(b)(iii)(D) or 8.1(b)(iii)(F), Gale Force shall pay to Montana (by wire transfer of immediately available funds), within two (2) Business Days following such termination, the sum of \$75,000 in respect of the fees, costs and expenses incurred by Montana in connection with the transactions contemplated by this Agreement and the Plan of Arrangement; and
- (b) by Montana or Gale Force pursuant to Section 8.1(b)(ii)(D) or by Gale Force pursuant to Sections 8.1(b)(iv)(D) or 8.1(b)(iv)(F), Montana shall pay to Gale Force (by wire transfer of immediately available funds), within two (2) Business Days following such termination, the sum of \$125,000 in respect of the fees, costs and expenses incurred by Gale Force in connection with the transactions contemplated by this Agreement and the Plan of Arrangement.

6.2 Termination Fees

If a GFP Termination Fee Event occurs, Gale Force shall pay Montana or as Montana shall direct (by wire transfer of immediately available funds), the GFP Termination Fee in accordance with Section 6.5(a). If a Montana Termination Fee Event occurs, Montana shall pay to Gale Force or as Gale Force shall direct (by wire transfer of immediately available funds), the Montana Termination Fee in accordance with Section 6.5(b).

6.3 GFP Termination Fee Event

For the purposes of this Agreement, “**GFP Termination Fee Event**” means the termination of this Agreement:

- (a) by Montana pursuant to Sections 8.1(b)(iii)(A) or 8.1(b)(iii)(E);
- (b) by Gale Force pursuant to Section 8.1(b)(iv)(B);
- (c) by either Montana or Gale Force pursuant to Sections 8.1(b)(ii)(A) or 8.1(b)(ii)(C), or by Montana pursuant to Sections 8.1(b)(iii)(D) or 8.1(b)(iii)(F), but only if prior to the termination of this Agreement an Acquisition Proposal, or the intention to make an Acquisition Proposal, in respect of Gale Force shall have been made or publicly announced by any person (other than Montana or any of its affiliates) and:
 - (A) within six (6) months following the date of such termination such Acquisition Proposal is consummated; or
 - (B) within three (3) months following the date of such termination Gale Force and/or one or more of its subsidiaries enters into a definitive agreement in respect of, or the GFP Board approves or recommends, such Acquisition Proposal and such Acquisition Proposal is subsequently consummated at any time thereafter.

6.4 Montana Termination Fee Event

For the purposes of this Agreement, “**Montana Termination Fee Event**” means the termination of this Agreement:

- (a) by Gale Force pursuant to Sections 8.1(b)(iv)(A) or 8.1(b)(iv)(E);
- (b) by Montana pursuant to Section 8.1(b)(iii)(B); or
- (c) by either Montana or Gale Force pursuant to Sections 8.1(b)(ii)(A) or 8.1(b)(ii)(D), or by Gale Force pursuant to Sections 8.1(b)(iv)(D) or 8.1(b)(iv)(F), but only if prior to the termination of this Agreement an Acquisition Proposal, or the intention to make an Acquisition Proposal, in respect of Montana shall have been made or publicly announced by any person (other than Gale Force or any of its affiliates) and:
 - (A) within six (6) months following the date of such termination such Acquisition Proposal is consummated; or
 - (B) within three (3) months following the date of such termination Montana and/or one or more of its subsidiaries enters into a definitive agreement in respect of, or the Montana Board approves or recommends, such Acquisition Proposal and such Acquisition Proposal is subsequently consummated at any time thereafter.

6.5 Payment of Termination Fees

- (a) If a GFP Termination Fee Event occurs due to a termination of this Agreement by Gale Force pursuant to Section 8.1(b)(iv)(B), the GFP Termination Fee shall be payable no later than simultaneously with the occurrence of such GFP Termination Fee Event. If a GFP Termination Fee Event occurs due to a termination of this Agreement by Montana pursuant to Section 8.1(b)(iii)(A) or Section 8.1(b)(iii)(E)8.1(b)(iii)(D), the GFP Termination Fee shall be payable within five (5) Business Days following such GFP Termination Fee Event. If a GFP Termination Fee Event occurs in the circumstances set out in Section 6.3(c), the GFP Termination Fee, shall be payable within five (5) Business Days following the closing of the applicable transaction referred to therein. For the avoidance of doubt, in no circumstance shall Gale Force be obligated to pay more than one GFP Termination Fee. In the event that Gale Force has paid to Montana the fee contemplated by Section 6.1(a), the GFP Termination Fee payable to Montana pursuant to this Agreement shall be reduced by an amount equal to such fee.
- (b) If a Montana Termination Fee Event occurs due to a termination of this Agreement by Montana pursuant to Section 8.1(b)(iii)(B), the Montana Termination Fee shall be payable no later than simultaneously with the occurrence of such Montana Termination Fee Event. If a Montana Termination Fee Event occurs due to a termination of this Agreement by Gale Force pursuant to Section 8.1(b)(iv)(A) or Section 8.1(b)(iv)(E), the Montana Termination Fee shall be payable within five (5) Business Days following such Montana Termination Fee Event. If a Montana Termination Fee Event occurs in the circumstances set out in Section 6.4(c), the Montana Termination Fee shall be payable within five (5) Business Days following the closing of the applicable transaction referred to therein. For the avoidance of doubt, in no circumstance shall Montana be obligated to pay more than one Montana Termination Fee. In the event that Montana has paid to Gale Force the fee contemplated by Section 6.1(b), the Montana Termination Fee payable to Gale Force pursuant to this Agreement shall be reduced by an amount equal to such fee.

6.6 Liquidated Damages and Specific Performance

- (a) Each of the Parties acknowledges that the agreements contained in this Article 6 are an integral part of the transactions contemplated in this Agreement and that, without those agreements, the Parties would not enter into this Agreement. Each Party acknowledges that all of the payment amounts set out in this Article 6 are payments of liquidated damages which are a genuine pre-estimate of the damages which the Party entitled to such damages will suffer or incur as a result of the event giving rise to such damages and the resultant termination of this Agreement and are not penalties. Each Party irrevocably waives any right it may have to raise as a defense that any such liquidated damages are excessive or punitive. For greater certainty but subject to Section 6.6(b), each Party agrees that, upon any termination of this Agreement under circumstances where a Party is entitled to a Termination Fee or an expense reimbursement fee and such Termination Fee or expense reimbursement fee is paid in full, the Party entitled to the Termination Fee or expense reimbursement fee shall be precluded from any other remedy against the other Party (excluding, in the case of a Party entitled to expense reimbursement, any Termination Fee (net of such expense reimbursement) that may thereafter become payable pursuant to the provisions of Section 6.3(c) or Section 6.4(c)) at law or in equity or otherwise (including an order for specific performance), and shall not seek to obtain any recovery, judgment, or damages of any kind, including consequential, indirect, or punitive damages, against the other Party or any of its subsidiaries or any of their respective directors, officers, employees, partners, managers, members, shareholders or affiliates in connection with this Agreement or the transactions contemplated hereby.
- (b) Nothing in this Article 6 shall relieve or have the effect of relieving any Party in any way from liability for damages incurred or suffered by a Party as a result of an intentional or wilful breach of this Agreement.
- (c) Nothing in this Article 6 shall preclude a Party from seeking injunctive relief to restrain any breach or threatened breach of the covenants or agreements set forth in this Agreement or the Confidentiality Agreement or otherwise to obtain specific performance of any such covenants or agreements, without the necessity of posting a bond or security in connection therewith.

ARTICLE 7 AMENDMENTS

7.1 Amendments

This Agreement and the Plan of Arrangement may, at any time and from time to time before or after the holding of the GFP Meeting or the Montana Meeting but not later than the Effective Time, be amended by mutual written agreement of the Parties without further notice to, or authorization from, their respective securityholders and any such amendment may, subject to the Interim Order, the Final Order and applicable Laws, without limitation:

- (a) change the time for performance of any of the obligations or acts of Montana or Gale Force hereunder;
- (b) waive any inaccuracies in, or modify, any representation or warranty contained herein or in any document delivered pursuant hereto;
- (c) waive compliance with, or modify, any of the covenants contained herein and waive or modify performance of any of the obligations of Montana or Gale Force hereunder; or

- (d) waive satisfaction of, or modify, any of the conditions precedent set out herein.

7.2 GFP Preferred Shares

Notwithstanding anything contained herein, if (i) the GFP Preferred Shareholder Approval is not obtained prior to the Final Order or (ii) the GFP Preferred Shareholder Approval is obtained prior to the Final Order but the GFP Preferred Share Dissent Threshold has been exceeded and Montana has not otherwise elected to proceed with the Arrangement in respect of the GFP Preferred Shares, the Arrangement shall nonetheless proceed in respect of the GFP Common Shares and the GFP Options in accordance with the terms of the Plan of Arrangement; provided, however, that the Plan of Arrangement shall be amended to expressly exclude the GFP Preferred Shares from the Plan of Arrangement and matters ancillary thereto (including, for greater certainty, the Dissent Rights).

ARTICLE 8 TERMINATION

8.1 Termination

- (a) This Agreement shall be effective from the date hereof until the earlier of the Effective Time and the termination of this Agreement in accordance with its terms; provided, however, that the provisions of Sections 1.5, 2.14, 4.3, 10.3, 10.7 and 10.9, Article 6 and, to the extent required to give effect to the foregoing provisions, this Article 8, as well as the confidentiality provisions of Section 3.4 and the provisions of the Confidentiality Agreement shall survive the Effective Time and remain in full force and effect, and neither the termination of this Agreement nor anything contained in this Section 8.1 shall relieve any Party for any liability for any intentional or wilful breach of this Agreement.
- (b) This Agreement may be terminated at any time prior to the Effective Date:
- (i) by mutual written consent of Montana and Gale Force;
 - (ii) by either Montana or Gale Force, if:
 - (A) the Effective Time shall not have occurred on or before the Outside Date, except that the right to terminate this Agreement under this Section 8.1(b)(ii)(A) shall not be available to the Party whose failure to fulfill any of its obligations or breach of any of its representations and warranties under this Agreement has been the cause of, or resulted in, the failure of the Effective Time to occur by such Outside Date;
 - (B) after the date hereof, there shall be enacted or made any applicable Law that makes consummation of the Arrangement illegal or otherwise prohibited or enjoins Montana or Gale Force from consummating the Arrangement and such applicable Law or injunction shall have become final and non-appealable;
 - (C) (I) the GFP Stated Capital Reduction Resolution shall have failed to receive the requisite vote for approval at the GFP Meeting (including any adjournment or postponement thereof) by the holders of GFP Common Shares, as required by applicable Law or (II) the Arrangement Resolution shall have failed to receive the requisite vote for approval at the GFP Meeting (including any adjournment or postponement thereof) by the holders of GFP Common Shares and GFP Options

in accordance with Sections 2.2(d)(i), 2.2(d)(ii) and 2.2(d)(iv), as provided for in the Interim Order and as required by applicable Law; or

- (D) the Montana Resolutions shall have failed to receive the requisite vote for approval by the Montana Shareholders at the Montana Meeting (including any adjournment or postponement thereof) as required by applicable Law;
- (iii) by Montana, if:
- (A) the GFP Board (I) fails to recommend that the applicable GFP Securityholders vote their GFP Securities in favour of the GFP Resolutions, (II) withdraws, withholds, amends, modifies or qualifies, or proposes publicly to withdraw, withhold, amend, modify or qualify its recommendation that the applicable GFP Securityholders vote their GFP Securities in favour of the GFP Resolutions, (III) approves, accepts, endorses, or recommends or proposes publicly to approve, accept, endorse or recommend, any Acquisition Proposal, or (IV) fails to reaffirm its recommendation that the applicable GFP Securityholders vote their GFP Securities in favour of the GFP Resolutions within the manner and within the time period set out in Section 3.3(e) (each of the foregoing being referred to as a **“GFP Board Recommendation Change”**);
 - (B) the Montana Board authorizes Montana, subject to complying with the terms of this Agreement, to enter into a binding written agreement relating to a Superior Proposal; provided that concurrent with such termination, Montana pays the Montana Termination Fee payable pursuant to Section 6.1;
 - (C) any of the conditions set forth in Section 5.1 or Section 5.2 is not satisfied, and such condition is incapable of being satisfied by the Outside Date; provided that Montana is not then in breach of this Agreement so as to cause any of the conditions set forth in Section 5.1 or Section 5.3 not to be satisfied;
 - (D) subject to Section 5.4, a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Gale Force set forth in this Agreement shall have occurred that would cause the conditions set forth in Section 5.1 or Section 5.2 not to be satisfied, and such conditions are incapable of being satisfied by the Outside Date; provided that Montana is not then in breach of this Agreement so as to cause any of the conditions set forth in Section 5.1 or Section 5.3 not to be satisfied;
 - (E) without limiting and notwithstanding the provisions of the immediately preceding Section (D), Gale Force is in material breach or in material default of any of its obligations or covenants set forth in Section 3.3; or
 - (F) the GFP Meeting has not occurred on or before the date that is ninety-five (95) days from the date hereof (or such later date as the Parties may agree upon in accordance with Section 2.4(a)); provided that the right to terminate this Agreement pursuant to this Section 8.1(b)(iii)(F) shall not be available to Montana if the failure by Montana to fulfil any obligation hereunder is the direct cause of, or directly results in, the failure of the GFP Meeting to occur on or before such date.

- (iv) by Gale Force, if:
 - (A) the Montana Board (I) fails to recommend that Montana Shareholders vote their Montana Shares in favour of the Montana Resolutions, (II) withdraws, withholds, amends, modifies or qualifies, or proposes publicly to withdraw, withhold, amend, modify or qualify its recommendation that Montana Shareholders vote their Montana Shares in favour of the Montana Resolutions, (III) approves, accepts, endorses, or recommends or proposes publicly to approve, accept, endorse or recommend, any Acquisition Proposal, or (IV) fails to reaffirm its recommendation that the Montana Shareholders vote their Montana Shares in favour of the Montana Resolutions within the manner and within the time period set out in Section 3.3(e) (each of the foregoing being referred to as a “**Montana Board Recommendation Change**”);
 - (B) the GFP Board authorizes Gale Force, subject to complying with the terms of this Agreement, to enter into a binding written agreement relating to a Superior Proposal; provided that concurrent with such termination, Gale Force pays the GFP Termination Fee payable pursuant to Section 6.1;
 - (C) any of the conditions set forth in Section 5.1 or Section 5.3 is not satisfied, and such condition is incapable of being satisfied by the Outside Date provided that Gale Force is not then in breach of this Agreement so as to cause any of the conditions set forth in Section 5.1 or Section 5.2 not to be satisfied;
 - (D) subject to Section 5.4, a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Montana set forth in this Agreement shall have occurred that would cause the conditions set forth Section 5.1 or Section 5.3 not to be satisfied, and such conditions are incapable of being satisfied by the Outside Date; provided that Gale Force is not then in breach of this Agreement so as to cause any of the conditions set forth in Section 5.1 or Section 5.2 not to be satisfied;
 - (E) without limiting and notwithstanding the provisions of the immediately preceding subparagraph (D), Montana is in material breach or in material default of any of its obligations or covenants set forth in Section 3.3; or
 - (F) the Montana Meeting has not occurred on or before the date that is ninety-five (95) days from the date hereof (or such later date as the Parties may agree upon in accordance with Section 2.6); provided that the right to terminate this Agreement pursuant to this Section 8.1(b)(iv)(F) shall not be available to Gale Force if the failure by Gale Force to fulfil any obligation hereunder is the direct cause of, or directly results in, the failure of the Montana Meeting to occur on or before such date.
- (c) The Party desiring to terminate this Agreement pursuant to this Article 8 (other than pursuant to Section 8.1(b)(i)) shall give written notice of such termination to the other Party
- (d) In the event of the termination of this Agreement in the circumstances set out in this Article 8, subject to Section 8.1(a), this Agreement shall forthwith become void and of no effect without liability of any Party (or any shareholder, director, officer, employee, agent, consultant or

representative of such Party) to any other Party hereto, except as otherwise expressly contemplated hereby.

- (e) Unless otherwise provided herein, the exercise by either Party of any right of termination hereunder shall be without prejudice to any other remedy available to such Party at law or in equity.

ARTICLE 9 NOTICES

9.1 Notices

Any notice that is required to be given pursuant to any provision of this Agreement shall be given or made in writing and shall be delivered personally (including by courier) or sent by facsimile to the Party to whom it is addressed, as follows:

- (a) if to Montana, addressed to it at:

Montana Exploration Corp.
Suite 2300, 144 4th Ave S.W.
Calgary, Alberta T2P 3N4

Attention: Charles V. Selby, Chairman and Chief Executive Officer
Facsimile: (403) 265-9021

with a copy to:

Bennett Jones LLP
4500, 855 – 2nd Street S.W.
Calgary, Alberta T2P 4K7

Attention: Brad Markel
Facsimile: (403) 265-7219

- (b) if to Gale Force, addressed to it at:

Gale Force Petroleum Inc.
100 King Street West, Suite 5700
Toronto, ON M5X 1C7

Attention: Michael McLellan, Chief Executive Officer
Facsimile: (888) 398-8856

with a copy to:

Blake, Cassels & Graydon LLP

until November 30, 2015, to:

600 de Maisonneuve Blvd. West, Suite 2200
Montreal, Quebec H3A 3J2

Canada

from and after December 1, 2015, to:

1 Place Ville Marie, Suite 3000
Montreal, Quebec H3B 4T9
Canada

Attention: Howard Levine
Facsimile: 514-982-4099

or to such other address as a Party may, from time to time, advise to the other Party by notice in writing. The date or time of receipt of any such notice shall be deemed to be the date of delivery or the time such facsimile is received.

ARTICLE 10 GENERAL

10.1 Entire Agreement, Assignment and Enurement

This Agreement shall be binding upon and enure to the benefit of the Parties and their respective successors and permitted assigns; provided that this Agreement may not be assigned by either Party without the prior written consent of the other Party.

10.2 Costs

Except as expressly set out herein, each Party covenants and agrees to bear its own costs and expenses in connection with the transactions contemplated by this Agreement.

10.3 Severability

If any one or more of the provisions (or any part thereof) of this Agreement is determined to be invalid, illegal or unenforceable in any respect in any jurisdiction, such provision or provisions (or part or parts thereof) shall be, and shall be conclusively deemed to be, as to such jurisdiction, severable from the balance of this Agreement and:

- (a) the validity, legality or enforceability of the remaining provisions of this Agreement will not in any way be affected or impaired by the severance of the provisions (or parts thereof) so severed; and
- (b) the invalidity, illegality or unenforceability of any provision (or part thereof) of this Agreement in any jurisdiction shall not affect or impair such provision (or part thereof) or any other provisions of this Agreement in any other jurisdiction.

10.4 Further Assurances

Each Party hereto shall, from time to time and at all times hereafter, at the request of the other Party, but without further consideration, do all such further acts, and execute and deliver all such further documents and instruments as the other Party may reasonably request in order to fully perform and carry out the terms and intent of this Agreement.

10.5 **Fiduciary Obligations**

It is acknowledged that the GFP Supporting Shareholders have entered into the GFP Support Agreements in their capacities as shareholders and that doing so will not derogate, in any way, from the discharge of their duties as directors or officers (or both) of Gale Force. It is further acknowledged that nothing contained herein or in the GFP Support Agreements shall prevent any director or officer of Gale Force from discharging his legal or fiduciary obligations as a director or officer of Gale Force subject to compliance with Section 3.3.

It is acknowledged that the Montana Supporting Shareholders have entered into the Montana Support Agreements in their capacities as shareholders and that doing so will not derogate, in any way, from the discharge of their duties as directors or officers (or both) of Montana. It is further acknowledged that nothing contained herein or in the Montana Support Agreements shall prevent any director or officer of Montana from discharging his legal or fiduciary obligations as a director or officer of Montana subject to compliance with Section 3.3.

10.6 **Time of Essence**

Time shall be of the essence of this Agreement.

10.7 **Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and the Parties irrevocably attorn to the jurisdiction of the courts of the Province of Ontario in respect of all disputes arising under or in relation to this Agreement.

10.8 **Waiver**

No waiver by a Party shall be effective unless it is set out in a written instrument signed by such Party and any waiver shall affect only the matter, and the occurrence thereof, specifically identified in the applicable written instrument and shall not extend to any other matter or occurrence.

10.9 **Third Party Beneficiaries**

- (a) The provisions of Section 2.14 and Section 3.1(p) are: (i) intended for the benefit of all present and former directors and officers of Gale Force, as and to the extent applicable in accordance with their terms, and shall be enforceable by each of such persons and his heirs, executors, administrators and other legal representatives (for purposes of this Section 10.9(a), collectively, the **“GFP Third Party Beneficiaries”**) and Gale Force shall hold the rights and benefits of Section 2.14 and Section 3.1(p) in trust for and on behalf of the GFP Third Party Beneficiaries and Gale Force hereby accepts such trust and agrees to hold the benefit of and enforce performance of such covenants on behalf of the GFP Third Party Beneficiaries, and (ii) in addition to, and not in substitution for, any other rights that the GFP Third Party Beneficiaries may have by contract or otherwise.
- (b) The provisions of Section 3.2(o) are: (i) intended for the benefit of all directors and officers of Montana, as and to the extent applicable in accordance with their terms, and shall be enforceable by each of such persons and his heirs, executors, administrators and other legal representatives (for purposes of this Section 10.9(b), collectively, the **“Montana Third Party Beneficiaries”**) and Montana shall hold the rights and benefits of Section 3.2(o) in trust for and on behalf of the

Montana Third Party Beneficiaries and Montana hereby accepts such trust and agrees to hold the benefit of and enforce performance of such covenants on behalf of the Montana Third Party Beneficiaries, and (ii) in addition to, and not in substitution for, any other rights that the Montana Third Party Beneficiaries may have by contract or otherwise.

10.10 Counterparts

This Agreement may be executed in counterparts and by facsimile or portable document format (PDF), each of which shall be deemed an original, and all of which together constitute one and the same instrument.

[The remainder of this page has intentionally been left blank.]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

MONTANA EXPLORATION CORP.

By: (s) Charles V. Selby
Charles V. Selby
Chairman and Chief Executive

By: (s) Donald E. Foulkes
Donald E. Foulkes
President

GALE FORCE PETROLEUM INC.

By: (s) Michael McLellan
Michael McLellan
Chief Executive Officer

SCHEDULE A
PLAN OF ARRANGEMENT
UNDER THE PROVISIONS OF SECTION 192
OF THE CANADA BUSINESS CORPORATIONS ACT

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Plan of Arrangement, unless there is something in the context or subject matter that otherwise requires, the following terms shall have the respective meanings set out below and grammatical variations of those terms shall have corresponding meanings:

- (a) **“Arrangement”** means the arrangement pursuant to Section 192 of the CBCA, on the terms and subject to the conditions set out in this Plan of Arrangement, as supplemented, modified, varied or amended in accordance with this Plan of Arrangement or at the direction of the Court pursuant to the Final Order with the consent of Montana and Gale Force, each acting reasonably;
- (b) **“Arrangement Agreement”** means the arrangement agreement made as of June 24, 2015 between Montana and Gale Force, including (unless the context otherwise requires) the schedules thereto, as the same may be amended, supplemented or otherwise modified in accordance with its terms;
- (c) **“Arrangement Resolution”** means the special resolution approving, *inter alia*, this Plan of Arrangement to be voted upon by the GFP Securityholders at the GFP Meeting, to be substantially in the form and content of Schedule C to the Arrangement Agreement;
- (d) **“Articles of Arrangement”** means the articles of arrangement in respect of the Arrangement required to be filed under Section 192(6) of the CBCA to be sent to the Director after the Final Order has been granted by the Court to give effect to the Arrangement, which shall be in form and content satisfactory to Montana and Gale Force, each acting reasonably;
- (e) **“Business Day”** means, with respect to any action to be taken, any day, other than a Saturday, Sunday or a statutory holiday in Calgary, Alberta or Toronto, Ontario;
- (f) **“CBCA”** means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44;
- (g) **“Certificate of Arrangement”** means the certificate to be issued by the Director pursuant to Section 192(7) of the CBCA in respect of the Articles of Arrangement;
- (h) **“Court”** means the Ontario Superior Court of Justice (Commercial List);
- (i) **“Depository”** means Computershare Investor Services Inc.;
- (j) **“Director”** means the Director appointed under Section 260 of the CBCA;
- (k) **“Dissent Rights”** means the rights of dissent described in Section 4.1;

- (l) **“Dissenting Shareholder”** means a registered GFP Common Shareholder or, subject to Section 3.2, a registered GFP Preferred Shareholder, who is entitled to and has duly and validly exercised the Dissent Rights pursuant to Article 4 and the Interim Order in respect of the Arrangement Resolution and who has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights;
- (m) **“Dissenting Shares”** means the GFP Common Shares and, subject to Section 3.2, the GFP Preferred Shares, held by Dissenting Shareholders;
- (n) **“Effective Date”** means the date shown upon the Certificate of Arrangement which gives effect to the Arrangement;
- (o) **“Effective Time”** means 12:01 a.m. (Toronto time) on the Effective Date;
- (p) **“Encumbrance”** means any hypothec, mortgage, pledge, assignment, charge, lien, security interest, claim or other encumbrance of any kind, trust, royalty, gross overriding royalty or carried, participation, net profits or other third party interest and any agreement, option, right of first refusal, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;
- (q) **“Exchange Ratio”** means (i) in respect of the GFP Common Shares, 0.465 of a Montana Share for every one (1) GFP Common Share, and (ii) in respect of the GFP Preferred Shares, 0.555 of a Montana Share for every one (1) GFP Preferred Share;
- (r) **“Final Order”** means the final order of the Court approving the Arrangement pursuant to Section 192(4)(e) of the CBCA, as such order may be affirmed, amended or modified by any court of competent jurisdiction;
- (s) **“Gale Force”** means Gale Force Petroleum Inc., a corporation incorporated under the federal laws of Canada;
- (t) **“GFP Circular”** means the notice of the GFP Meeting and accompanying management proxy circular, including all schedules, appendices and exhibits thereto, to be sent to GFP Securityholders in connection with the GFP Meeting, as amended, supplemented or otherwise modified from time to time;
- (u) **“GFP Common Shareholders”** means the holders of GFP Common Shares;
- (v) **“GFP Common Shares”** means the common shares in the share capital of Gale Force;
- (w) **“GFP Meeting”** means the special meeting of GFP Securityholders, including any adjournment or postponement thereof, to be called and held in accordance with the Interim Order to consider the GFP Resolutions;
- (x) **“GFP Options”** means the outstanding vested and unvested options of Gale Force to purchase GFP Common Shares granted under the GFP Stock Option Plan;
- (y) **“GFP Preferred Shareholder Dissent Threshold”** means the exercise of Dissent Rights by holders of no more than 10% of the issued and outstanding GFP Preferred Shares;
- (z) **“GFP Preferred Shareholders”** means the holders of GFP Preferred Shares;

- (aa) **“GFP Preferred Shares”** means the Series III preferred shares in the share capital of Gale Force;
- (bb) **“GFP Resolutions”** means, collectively, the Arrangement Resolution and the GFP Stated Capital Reduction Resolution;
- (cc) **“GFP Securities”** means, collectively, the GFP Shares and the GFP Options;
- (dd) **“GFP Securityholders”** means the holders of GFP Securities;
- (ee) **“GFP Shareholders”** means the holders of GFP Shares;
- (ff) **“GFP Shares”** means, collectively, the GFP Common Shares and, subject to Section 3.2, the GFP Preferred Shares;
- (gg) **“GFP Stated Capital Reduction Resolution”** means the special resolution to be voted upon by the GFP Common Shareholders at the GFP Meeting approving the reduction of the legal stated capital account in respect of the GFP Common Shares, by an amount necessary to comply with the provisions of Section 192(3) of the CBCA without any distribution to the GFP Common Shareholders, to be substantially in the form and content of Schedule B to the Arrangement Agreement;
- (hh) **“GFP Stock Option Plan”** means the 2004 Stock Option Plan of Gale Force, as amended on June 8, 2014;
- (ii) **“Governmental Authority”** means (i) any multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign, (ii) any subdivision, agent, commission, board or authority of any of the foregoing, (iii) any quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing or (iv) any stock exchange, including the TSXV;
- (jj) **“holder”** means, when used with reference to any GFP Securities, the holder of such securities shown from time to time in the central securities register maintained by or on behalf of Gale Force in respect of such securities;
- (kk) **“Interim Order”** means the interim order of the Court under Section 192(4) of the CBCA in respect of the Arrangement, containing declarations and directions with respect to the Arrangement and the holding of the GFP Meeting, as such order may be affirmed, amended or modified by any court of competent jurisdiction at the request of Gale Force with the consent of Montana, acting reasonably;
- (ll) **“Laws”** means all laws (including common law), by-laws, statutes, rules, regulations, principles of law and equity, orders, writs, awards, decrees, rulings, ordinances, judgements, injunctions, determinations or other requirements, whether domestic or foreign, and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Authority or self-regulatory authority (including, where applicable, the TSXV), and the term “applicable” with respect to such Laws and in a context that refers to one or more persons, means such Laws as are applicable to such

person or its business, undertaking, property or securities and emanate from a person having jurisdiction over the person or persons or its or their business, undertaking, property or securities;

- (a) **“Letters of Transmittal”** means the letters of transmittal in the form enclosed with the GFP Circular pursuant to which the GFP Shareholders are required to deliver the certificates representing the GFP Common Shares and the GFP Preferred Shares, as the case may be, in order to receive payment in accordance with this Plan of Arrangement;
- (b) **“Montana”** means Montana Exploration Corp., a corporation incorporated under the laws of Alberta;
- (c) **“Montana Replacement Option”** has the meaning ascribed thereto in Section 3.1(d)(i);
- (d) **“Montana Shares”** means the common shares in the share capital of Montana;
- (e) **“Parties”** means, collectively, Montana and Gale Force;
- (f) **“person”** shall be broadly interpreted and includes an individual, partnership, association, body corporate, trustee, executor, administrator, legal representative, government (including any Governmental Authority) or any other entity, whether or not having legal status;
- (g) **“Plan of Arrangement”** means this plan of arrangement under the CBCA and any amendments or variations thereto made in accordance with Section 7.1 of the Arrangement Agreement or Article 6 hereof or made at the direction of the Court in the Final Order with the consent of the Parties, each acting reasonably;
- (h) **“Share Consideration”** means the Montana Shares to be received by the GFP Shareholders pursuant to this Plan of Arrangement in consideration for each GFP Share held based on the applicable Exchange Ratio;
- (i) **“Tax Act”** means the *Income Tax Act* (Canada) R.S.C. 1985, c. 1 (5th Supp.); and
- (j) **“TSXV”** means the TSX Venture Exchange.

In addition, any capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Arrangement Agreement. Further, words and phrases used herein and defined in the CBCA and not otherwise defined herein or in the Arrangement Agreement shall have the same meaning herein as in the CBCA unless the context otherwise clearly requires.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Plan of Arrangement into Articles, Sections, paragraphs and other portions and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Plan of Arrangement. The terms “hereof”, “hereunder” and similar expressions refer to this Plan of Arrangement and not to any particular Article, Section or other portion hereof. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Section are to Articles and Sections of this Plan of Arrangement.

1.3 **Number and Gender**

In this Plan of Arrangement, unless the context otherwise clearly requires, words used herein importing the singular include the plural and vice versa and words imparting any gender shall include all genders.

1.4 **Date of Any Action**

If any date on which any action is required to be taken hereunder by a Party is not a Business Day, such action will be required to be taken on the next day which is a Business Day.

1.5 **Governing Law**

This Plan of Arrangement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

1.6 **Time**

Time shall be of the essence in every matter or action contemplated hereunder. All times expressed herein or in the Letter of Transmittal refer to Toronto time unless otherwise stipulated herein or therein.

1.7 **Currency**

Unless otherwise stated, all references in this Plan of Arrangement to sums of money are expressed in lawful money of Canada and “\$” refers to Canadian dollars.

1.8 **References to Legislation**

References in this Agreement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

ARTICLE 2 **EFFECT OF THE ARRANGEMENT**

2.1 **Arrangement Agreement**

This Plan of Arrangement is made pursuant to, is subject to the provisions of, and forms a part of, the Arrangement Agreement.

2.2 **Binding Effect**

This Plan of Arrangement shall become effective on the filing of the Articles of Arrangement and other documents as required by the CBCA and the issuance of the Certificate of Arrangement and shall be binding upon Montana, Gale Force, the GFP Securityholders, the Depositary and all other persons as and from the Effective Time, without any further act or formality required on the part of any person except as expressly provided herein.

2.3 **Plan Effective in its Entirety**

The Articles of Arrangement and the Certificate of Arrangement shall be filed and issued, respectively, with respect to the Arrangement in its entirety. The Certificate of Arrangement shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Article 3 has become effective in the sequence set forth therein.

2.4 **Effective at the Effective Time**

No portion of this Plan of Arrangement shall take effect with respect to any Party or person until the Effective Time.

2.5 **Paramountcy**

From and after the Effective Time:

- (a) this Plan of Arrangement shall take precedence and priority over any and all rights related to the GFP Common Shares, the GFP Options and, subject to Section 3.2, the GFP Preferred Shares, issued prior to the Effective Time;
- (b) the rights and obligations of the holders of the GFP Common Shares, the GFP Options and, subject to Section 3.2, the GFP Preferred Shares, and any trustee and transfer agent therefor, shall be solely as contemplated in this Plan of Arrangement; and
- (c) all actions, causes of actions, claims or proceedings (actual or contingent, and whether or not previously asserted) based on or in any way relating to the GFP Common Shares, the GFP Options and, subject to Section 3.2, the GFP Preferred Shares, shall be deemed to have been settled, compromised, released and determined without liability except as set forth herein

ARTICLE 3 **ARRANGEMENT**

3.1 **The Arrangement**

At the Effective Time, each of the events set out below shall occur and be deemed to occur in the following sequence, without any further authorization, act or formality:

- (a)
 - (i) each Dissenting Share held by a Dissenting Shareholder shall be, and shall be deemed to have been, assigned and transferred by the holder thereof to Montana (free and clear of any Encumbrances) and such Dissenting Shareholder shall cease to be the holder of such Dissenting Share or to have any rights as a holder in respect of such Dissenting Share, other than the right to be paid the fair value of such Dissenting Share determined and payable in accordance with Article 4, and each Dissenting Shareholder's name shall be removed as the holder of such Dissenting Share from the appropriate register of GFP Shareholders maintained by or on behalf of Gale Force;
 - (ii) contemporaneously with the assignment and transfer contemplated by Section 3.1(a)(i), legal and beneficial title to each such Dissenting Share shall vest in Montana and Montana shall be, and shall be deemed to be, the transferee and legal and beneficial owner of such Dissenting Share (free and clear of any Encumbrances) and shall be entered in the appropriate register of GFP Shareholders as the sole holder thereof;
- (b)
 - (i) each GFP Common Share outstanding immediately prior to the Effective Time (other than Dissenting Shares referred to in Section 3.1(a)), shall be, and shall be

deemed to have been, transferred by the holder thereof to Montana (free and clear of any Encumbrances) in exchange for the Share Consideration (subject to rounding in accordance with Section 5.2);

- (ii) contemporaneously with the assignment and transfer contemplated by Section 3.1(b)(i), the holder of each GFP Common Share so transferred and assigned shall cease to be the holder thereof, or to have any rights as a holder thereof other than the right to receive the Share Consideration payable in respect thereof pursuant to Section 3.1(b)(i), and legal and beneficial title to each such GFP Common Share shall vest in Montana and Montana shall be, and shall be deemed to be, the transferee and legal and beneficial owner of such GFP Common Share (free and clear of any Encumbrances) and shall be entered in the register of GFP Common Shareholders as the sole holder thereof;
- (c)
 - (i) subject to Section 3.2, each GFP Preferred Share outstanding immediately prior to the Effective Time (other than Dissenting Shares referred to in Section 3.1(a)), shall be, and shall be deemed to have been, transferred by the holder thereof to Montana (free and clear of any Encumbrances) in exchange for the Share Consideration (subject to rounding in accordance with Section 5.2);
 - (ii) subject to Section 3.2, contemporaneously with the assignment and transfer contemplated by Section 3.1(c)(i), the holder of each GFP Preferred Share so transferred and assigned shall cease to be the holder thereof, or to have any rights as a holder thereof other than the right to receive the Share Consideration payable in respect thereof pursuant to Section 3.1(c)(i), and legal and beneficial title to each such GFP Preferred Share shall vest in Montana and Montana shall be, and shall be deemed to be, the transferee and legal and beneficial owner of such GFP Preferred Share (free and clear of any Encumbrances) and shall be entered in the register of GFP Preferred Shareholders as the sole holder thereof;
- (d)
 - (i) each GFP Option outstanding immediately prior to the Effective Time shall be, and shall be deemed to have been, exchanged for an option (each a “**Montana Replacement Option**”) to acquire from Montana, other than as provided herein, the number (rounded down to the nearest whole number) of Montana Shares equal to the product of: (A) the number of GFP Common Shares subject to such GFP Option immediately prior to the Effective Time, multiplied by (B) 0.465; provided, however, that if the foregoing would result in the issuance of a fraction of a Montana Share on any particular exercise of Montana Replacement Options, then the number of Montana Shares otherwise issued shall be rounded down to the nearest whole number of Montana Shares;
 - (ii) the exercise price per Montana Share subject to a Montana Replacement Option shall be an amount equal to the quotient of: (A) the exercise price per GFP Common Share subject to each such GFP Option immediately before the Effective Time, divided by (B) 0.465; provided, however, that the aggregate exercise price payable on any particular exercise of Montana Replacement Options shall be rounded up to the nearest whole cent;
 - (iii) all terms and conditions of a Montana Replacement Option, including the term of expiry and conditions to and manner of exercising, shall be the same as the GFP Option for which it was exchanged, and any certificate or option agreement

previously evidencing the GFP Option shall thereafter evidence and be deemed to evidence such Montana Replacement Option; and

- (iv) notwithstanding the foregoing, if required for purposes of meeting the requirements of paragraph 7(1.4)(c) of the Tax Act, the exercise price of each Montana Replacement Option of any particular holder shall be, and shall be deemed to be, adjusted at the time of the exchange by the amount, and only to the extent, necessary to ensure that the amount by which aggregate fair market value of the Montana Shares subject to the Montana Replacement Option immediately after the exchange, is greater than or less than the aggregate exercise price for such Montana Shares pursuant to the Montana Replacement Option does not exceed the amount by which the aggregate fair market value of GFP Common Shares subject to the GFP Option immediately before the exchange is greater than or less than the aggregate exercise price for such GFP Common Shares pursuant to the GFP Option.

3.2 Inclusion of GFP Preferred Shares

Notwithstanding anything else herein, in circumstances where (i) the Arrangement Resolution is not approved by the GFP Preferred Shareholders at the GFP Meeting as provided for in the Interim Order and as required by applicable Law or (ii) the Arrangement Resolution is approved by the GFP Preferred Shareholders at the GFP Meeting, as provided for in the Interim Order and as required by applicable Law, but the GFP Preferred Shareholder Dissent Threshold has been exceeded and Montana has not otherwise elected to proceed with the Arrangement in respect of the GFP Preferred Shares as contemplated by Section 7.2 of the Arrangement Agreement, then:

- (i) the Arrangement shall nonetheless proceed in respect of the GFP Common Shares and the GFP Options;
- (ii) the GFP Preferred Shares shall not be subject to this Plan of Arrangement; and
- (iii) Section 3.1(c) and all other references to the GFP Preferred Shares and the GFP Preferred Shareholders in this Plan of Arrangement shall be, and shall be deemed to have been, deleted from this Plan of Arrangement.

ARTICLE 4

DISSENT RIGHTS

4.1 Rights of Dissent

Pursuant to the Interim Order, each registered GFP Common Shareholder and, subject to Section 3.2, each registered GFP Preferred Shareholder, may respectively exercise rights of dissent (“**Dissent Rights**”) pursuant to and in the manner set forth in the CBCA, as modified by this Article 4, the Interim Order and the Final Order; provided, however, that written objection to the Arrangement Resolution, in the manner contemplated by the CBCA, must be sent to and received by Gale Force by no later than 4:00 p.m. (Toronto time) on the first Business Day immediately prior to the GFP Meeting or any postponement or adjournment thereof. GFP Shareholders who duly and validly exercise such rights of dissent and who:

- (a) are ultimately determined to be entitled to be paid an amount equal to the fair value for the GFP Shares in respect of which they have exercised Dissent Rights, shall (i) be

deemed to not have participated in the transactions contemplated by Section 3.1, other than Section 3.1(a), (ii) be paid an amount equal to such fair value by Montana, (iii) not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such GFP Shareholders not exercised their Dissent Rights in respect of their GFP Shares, and (iv) be deemed to have irrevocably transferred such GFP Shares to Montana pursuant to Section 3.1(a) in consideration of such fair value, notwithstanding the provisions of Section 190 of the CBCA; or

- (b) are ultimately not entitled, for any reason, to be paid by Montana fair value for the GFP Shares in respect of which they have exercised Dissent Rights, shall be deemed to have participated in the Arrangement on the same basis as a GFP Shareholder who has not exercised Dissent Rights, as at and from the time specified in Sections 3.1(b) or 3.1(c), as applicable, and be entitled to receive only the consideration set forth in Sections 3.1(b)(i) or 3.1(c)(i), as applicable;

but in no case shall Gale Force or Montana or any other person be required to recognize such holders as holders of GFP Shares after the completion of the steps set forth in Sections 3.1(a), 3.1(b) or 3.1(c), as the case may be, and each Dissenting Shareholder shall cease to be entitled to the rights of a GFP Shareholder in respect of the GFP Shares in relation to which such Dissenting Shareholder has exercised Dissent Rights and the central securities register of Gale Force shall be amended to reflect that such former holder is no longer the holder of such GFP Shares as and from the Effective Time. For greater certainty, and in addition to any other restriction under the CBCA, a GFP Shareholder who has voted, or instructed a proxyholder to vote, in favour of the Arrangement Resolution shall not be entitled to exercise Dissent Rights with respect to the Arrangement. Without limiting the provisions of Section 3.2, no GFP Preferred Shareholder who has exercised its Dissent Rights shall be entitled to be paid the fair value for its GFP Preferred Shares if the GFP Preferred Shareholder Dissent Threshold has been exceeded and Montana has not otherwise elected to proceed with the Arrangement in respect of the GFP Preferred Shares as contemplated by Section 7.2 of the Arrangement Agreement.

ARTICLE 5

CERTIFICATES AND PAYMENTS

5.1 Payment of Consideration

- (a) Following receipt of the Final Order and prior to the filing of the Articles of Arrangement with the Director in accordance with the terms of the Arrangement Agreement, Montana shall deposit with the Depositary in escrow, for the benefit of holders of GFP Shares, sufficient Montana Shares in the aggregate amounts necessary to pay the Share Consideration required by this Plan of Arrangement.
- (b) Subject to surrender to the Depositary for cancellation of a certificate which immediately prior to the Effective Time represented outstanding GFP Shares that were transferred to Montana pursuant to Sections 3.1(b)(i) or 3.1(c)(i), together with a duly completed Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require, following the Effective Time, the holder of such surrendered certificate shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such holder, the Share Consideration to which such holder is entitled to receive under this Plan of Arrangement, less any amounts withheld pursuant to Section 5.5, and any certificate so surrendered shall forthwith be cancelled.

- (c) Subject to Section 5.4, until surrendered as contemplated by this Section 5.1, each certificate which immediately prior to the Effective Time represented GFP Shares that were transferred to Montana under Sections 3.1(b)(i) or 3.1(c)(i) shall be thereafter deemed to represent only the right to receive, upon such surrender, a certificate representing the Share Consideration pursuant to Sections 3.1(b)(i) or 3.1(c)(i) and this Section 5.1, less any amounts withheld pursuant to Section 5.5.
- (d) No former holder of GFP Shares shall be entitled to receive any consideration with respect to such GFP Shares other than the Share Consideration to which such former holder of GFP Shares is entitled to receive in accordance with Sections 3.1(b)(i) or 3.1(c)(i) and this Section 5.1 and, for greater certainty, no such former holder shall be entitled to receive any interest, dividends, premium or other payment in connection therewith.

5.2 Fractional Shares

No fractional Montana Shares shall be issued in connection with the Arrangement. In the event that a former GFP Shareholder would otherwise be entitled to a fractional Montana Share hereunder, the number of Montana Shares issued to such GFP Shareholder shall be rounded up to the next whole number of Montana Shares if the fractional entitlement is equal to or greater than 0.5 and shall, without any additional compensation, be rounded down to the next whole number of Montana Shares if the fractional entitlement is less than 0.5. In calculating such fractional interests, all GFP Shares registered in the name of or beneficially held by such GFP Shareholder or his, her or its nominee shall be aggregated.

5.3 Loss of Certificates

In the event any certificate which immediately prior to the Effective Time represented one or more outstanding GFP Shares that are entitled to receive the Share Consideration pursuant to Section 3.1 has been lost, stolen or destroyed, upon the making of an affidavit or statutory declaration of that fact by the person claiming such certificates to be lost, stolen or destroyed and who was listed immediately prior to the Effective Time as the registered holder thereof on the share register maintained by or behalf of Gale Force, the Depositary shall deliver, in exchange for the affidavit in respect of such lost, stolen or destroyed certificate the Share Consideration that such holder is entitled to receive in exchange for such lost, stolen or destroyed certificate, provided that the holder to whom the Share Consideration is to be delivered shall, as a condition precedent to the delivery thereof, give a bond to Montana and the Depositary in such sum as Montana and the Depositary may direct (each acting reasonably), or otherwise indemnify Gale Force, Montana and the Depositary in a manner satisfactory to Gale Force, Montana and the Depositary (each acting reasonably) against any claim that may be made against any of them with respect to the certificate alleged to have been lost, stolen or destroyed.

5.4 Extinction of Rights

- (a) Any certificate which immediately prior to the Effective Time represented outstanding GFP Shares that were transferred to Montana pursuant to Sections 3.1(b)(i) or 3.1(c)(i) which is not deposited with the Depositary in accordance with the provisions of Section 5.1 on or before the third anniversary of the Effective Date less one day shall, on such day, cease to represent a claim or interest of any kind or nature whatsoever, whether as a securityholder or otherwise and whether against Gale Force, Montana, the Depositary or any other person. On such date, the Share Consideration (including any interest, dividends, premium, distribution or other payment in connection therewith held in trust for such former holder) such former holder of GFP Shares would otherwise have been

entitled to receive, shall be deemed to have been surrendered for no consideration to Montana. None of Gale Force, Montana or the Depositary shall be liable to any person in respect of any cash or securities (including any cash or securities previously held by the Depositary in trust for any such former holder) which is forfeited to Montana or delivered to any public official pursuant to any applicable abandoned property, escheat or similar Law.

- (b) Any payment made by way of cheque by Gale Force, by Montana or by the Depositary, on behalf of Gale Force or Montana, pursuant to this Plan of Arrangement and/or any certificates representing Montana Shares issued by the Depositary on behalf of Montana pursuant to this Plan of Arrangement, that have not been deposited with or have been returned to the Depositary or that otherwise remain unclaimed, in each case, on or before the third anniversary of the Effective Date less one day shall, on such day, cease to represent a claim or interest of any kind or nature whatsoever, whether as a securityholder or otherwise and whether against Gale Force, Montana, the Depositary or any other person. On such date, the Share Consideration such former holder of GFP Shares would otherwise have been entitled to receive shall be deemed to have been surrendered for no consideration to Montana. None of Gale Force, Montana or the Depositary shall be liable to any person in respect of any cash or securities (including any cash or securities previously held by the Depositary in trust for any such former holder) which is forfeited to Montana or delivered to any public official pursuant to any applicable abandoned property, escheat or similar law.

5.5 Withholding Rights

Gale Force, Montana and the Depositary shall be entitled to deduct, withhold and remit from any consideration otherwise payable to any GFP Shareholder under this Plan of Arrangement (including any payment to Dissenting Shareholders) such amounts as Gale Force, Montana or the Depositary is required to deduct, withhold and remit with respect to such payment under the Tax Act, the U.S. Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder, or any provision of any applicable tax Law as counsel may advise is required to be so deducted and withheld by Gale Force, Montana or the Depositary, as the case may be. For the purposes hereof, all such withheld amounts shall be treated as having been paid to the person in respect of which such deduction and withholding was made on account of the obligation to make payment to such person hereunder, provided that such deducted or withheld amounts are actually remitted to the appropriate Governmental Authority by or on behalf of Gale Force, Montana or the Depositary, as the case may be.

ARTICLE 6 AMENDMENTS

6.1 Amendments to this Plan of Arrangement

- (a) Gale Force and Montana reserve the right to amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that any amendment, modification or supplement must be (i) set out in writing, (ii) filed with the Court and, if made following the GFP Meeting, approved by the Court, and (iii) communicated to the GFP Securityholders if and as required by the Court.
- (b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Gale Force and Montana at any time prior to or at the GFP Meeting with or without any other prior notice or communication and, if so proposed and accepted, in the

manner contemplated and to the extent required by the Arrangement Agreement, by the persons voting at the GFP Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

- (c) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the GFP Meeting shall be effective only if such amendment, modification or supplement (i) is consented to by each of Gale Force and Montana (each acting reasonably) and (ii) if required by the Court or applicable Law, is consented to by GFP Securityholders voting in the manner directed by the Court.
- (d) This Plan of Arrangement may be amended, modified or supplemented following the Effective Time unilaterally by Montana, provided that it concerns a matter that, in the reasonable opinion of Montana, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the economic interest of any GFP Securityholder.

SCHEDULE B

GFP STATED CAPITAL REDUCTION RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. Pursuant to the provisions of section 38(1) of the *Canada Business Corporations Act*, the stated capital account maintained in respect of the common shares (the “**Common Shares**”) of Gale Force Petroleum Inc. (“**Gale Force**”) be reduced by the amount of \$●, such that the stated capital per Common Share is \$●, such reduction to take effect on the date to be determined by the board of directors of Gale Force, all as more particularly described and set forth in the Management Proxy Circular of Gale Force dated ●, 2015, accompanying the notice of this meeting;
2. No amount in respect of such reduction of stated capital referred to in the immediately preceding paragraph 1 be distributed to the holders of Common Shares;
3. Notwithstanding that this resolution has been passed by the holders of Common Shares, the directors of Gale Force are hereby authorized and empowered, without further notice to, or approval of, the holders of Common Shares to revoke this resolution before it is acted upon and not proceed with the reduction of the stated capital account maintained in respect of the Common Shares; and
4. Any director or officer of Gale Force is hereby authorized and directed for and on behalf of Gale Force to execute or cause to be executed and to deliver or cause to be delivered all such agreements, forms, waivers, notices, certificates, confirmations and other documents and instruments and to do or cause to be done all such other acts and things as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions, such determination to be conclusively evidenced by the execution and delivery of such agreements, forms, waivers, notices, certificates, confirmations and other documents and instruments or the doing of any such act or thing.

SCHEDULE C

ARRANGEMENT RESOLUTION

“BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The arrangement (the “**Arrangement**”) under Section 192 of the *Canada Business Corporations Act* (the “**CBCA**”) involving Gale Force Petroleum Inc. (“**Gale Force**”), the holders of common shares and options of Gale Force and, subject to certain conditions, the holders of Series III preferred shares of Gale Force (together with the holders of common shares and options of Gale Force, the “**Securityholders**”), set forth in the plan of arrangement (the “**Plan of Arrangement**”) attached as Schedule “A” to the arrangement agreement (the “**Arrangement Agreement**”) dated June 24, 2015 between Gale Force and Montana Exploration Corp., is hereby authorized, approved and adopted;

2. The Plan of Arrangement, as it may be or may have been supplemented, modified, varied or amended, the full text of which is set out in Schedule “A” to the Arrangement Agreement included as Appendix • to the management proxy circular (the “**Circular**”) of Gale Force dated •, 2015, accompanying the notice of this meeting, is hereby authorized, approved and adopted;

3. The Arrangement Agreement and all transactions contemplated therein, and the actions of the directors and officers of Gale Force in approving the Arrangement and in executing and delivering the Arrangement Agreement and any amendments thereto, are hereby confirmed, ratified, authorized, approved and adopted;

4. Gale Force be and is hereby authorized to apply for a final order from the Ontario Superior Court of Justice (Commercial List) to approve the Arrangement on the terms set forth in the Arrangement Agreement and the Plan of Arrangement (as they may be supplemented, modified, varied or amended and as described in the Circular);

5. Any director or officer of Gale Force is hereby authorized and directed for and on behalf of Gale Force to execute and deliver articles of arrangement and such other documents as are necessary or desirable to the Director under the CBCA in accordance with the Arrangement Agreement;

6. Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the Securityholders or that the Arrangement has been approved by the Ontario Superior Court of Justice (Commercial List), the directors of Gale Force are hereby authorized and empowered, without further notice to, or approval of, the Securityholders

(a) to supplement, modify, vary or amend the Arrangement Agreement or the Plan of Arrangement to the extent not prohibited by the Arrangement Agreement or the Plan of Arrangement or the order of the Ontario Superior Court of Justice (Commercial List); or

(b) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement; and

7. Any director or officer of Gale Force is hereby authorized and directed for and on behalf of Gale Force to execute or cause to be executed and to deliver or cause to be delivered all such agreements, forms, waivers, notices, certificates, confirmations and other documents and instruments and to do or cause to be done all such other acts and things as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions, the Arrangement Agreement and the completion of the Plan of Arrangement in accordance with the terms of the

Arrangement Agreement, such determination to be conclusively evidenced by the execution and delivery of such agreements, forms, waivers, notices, certificates, confirmations and other documents and instruments or the doing of any such act or thing.”